

# NPV

$$NPV = \frac{\text{Year 1 inflow}}{(1+\text{discount \%})^1} + \frac{\text{Year 2 inflow}}{(1+\text{discount \%})^2} + \frac{\text{Year 3 inflow}}{(1+\text{discount \%})^3} \dots - \text{Initial investment}$$

Where do these cash inflows come from?