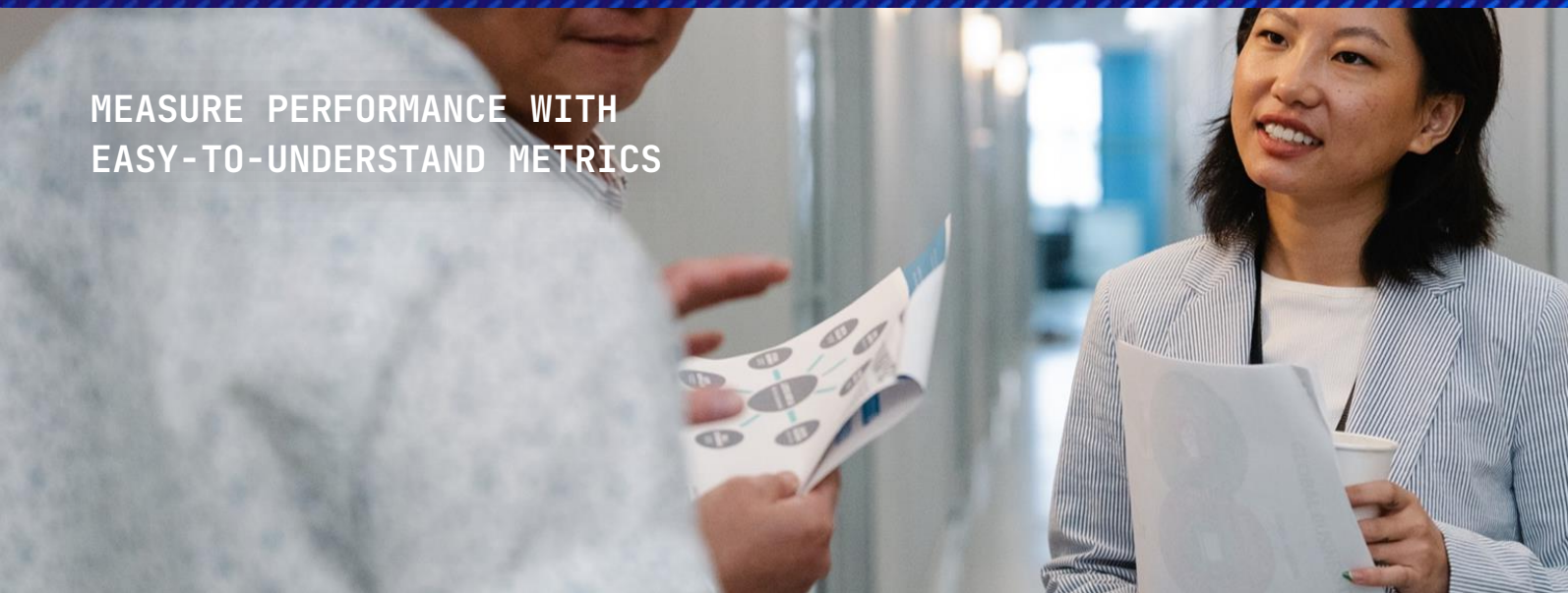


# Cash Flow KPIs

MEASURE PERFORMANCE WITH  
EASY-TO-UNDERSTAND METRICS



# Contents

---

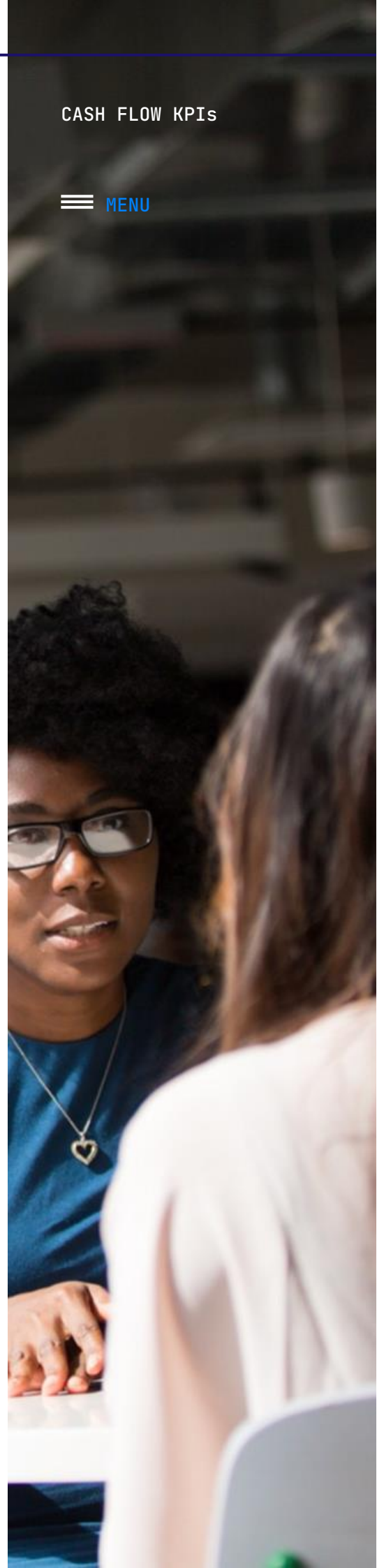
Introduction	3
Choosing a cash flow metric	4
Ratios & KPIs in detail	5
About CashAnalytics	6

---

# Introduction

Cash flow based metrics and KPI's are increasingly being used by managers and investors to understand the underlying valuation, efficiency and profitability of their business.

The short guide outlines some of the most widely used cash flow ratios and KPI's which can provide a powerful and easy to understand insight into the true performance of a business.



# Choosing a cash flow metric

CASH FLOW KPIs



Operating Free Cash Flow and Free Cash Flow are two of the metrics most widely used when calculating cash ratios and KPI's. Choosing which metric to use is the first step when carrying out cash flow analysis. Either metric can be used when calculating the KPI's and ratios.

---

## Operating Cash Flow

Operating Cash Flow is the cash flow generated by a business's operations, excluding investing and financing activity.

---

## Free Cash Flow

Free Cash Flow is a business's Operating Cash Flow minus the capital expenditure required to maintain and expand its capital base.

# Ratios & KPIs

CASH FLOW KPIs



## FUNDAMENTAL

### Cash Flow Per Share

= Free Cash Flow ÷ number of outstanding shares

Shows the amount of free cash flow per outstanding share of the company's stock.

## VALUATION

### Cash Flow Yield

= Free Cash Flow ÷ Market Capitalisation

Shows the cash flow yield on a company's market valuation.

## EFFICIENCY

### Cash Conversion Cycle

= Days of Sales Outstanding + Day Inventory  
Outstanding – Days Payables Outstanding

Shows how quickly cash on hand can be turned into cash sales.

## PROFITABILITY

### Cash Flow Margin

= Free Cash Flow ÷ Revenue %

Shows a company's cash flow margin as a percentage of sales.

## RETURN

### Cash Flow Return On Invested Capital

= Free Cash Flow ÷ Total Capital %

Shows the amount of cash flow generated as a percentage of total capital employed.

## LEVERAGE

### Net Debt To Free Cash Flow

= Net Debt ÷ Free Cash Flow

Shows how many years of free cash flow would be required to repay current outstanding debt.



# About CashAnalytics

CASH FLOW KPIs

**CashAnalytics is a dedicated cash forecasting & liquidity reporting software solution.**

≡ MENU

Our mission is to help large companies to better understand their current and future liquidity positions.

We are differentiated from other software providers through the depth of functionality and intuitive interface of our solutions, the speed at which they can be rolled out and the ease with which they can be integrated with existing systems, as well as the high level of ongoing support we provide to clients.

We have developed a thorough yet efficient set-up process that enables quick and easy roll-out of our software. During this process, comprehensive project management with senior members of the CashAnalytics team ensures smooth collaboration across a company's business units with minimal impact on day-to-day operations.

To see our software in action, and to see the value it can help you to deliver, contact us to book a demo now.

**General:** info@cashanalytics.com  
**Sales:** sales@cashanalytics.com  
**Support:** support@cashanalytics.com

**Head Office:** +353 1 524 0552  
**UK:** +44 203 773 9684  
**USA:** +1 646 358 3451