

Net operating working capital (NOWC)	<p style="text-align: center;"> All current assets required in operations All non-interest-bearing current liabilities $\left(\text{Cash} + \text{Accounts receivable} + \text{Inventories} \right) - \left(\text{Accounts payable} + \text{Accruals} \right)$ </p>
Total operating capital (OC)	<p style="text-align: center;"> Net operating working capital – Net fixed assets </p>
Net operating profit after taxes (NOPAT)	<p style="text-align: center;"> EBIT (1 – Tax rate) </p>
Operating cash flows (OCF)	<p style="text-align: center;"> NOPAT + Depreciation & amortization </p>
Free cash flow (FCF)	<p style="text-align: center;"> OCF – Investment in operating capital $\left(\text{NOPAT} + \text{Depreciation \& amortization} \right) - \left(\text{Capital expenditures} + \Delta \text{Net operating working capital} \right)$ </p>
Market value added (MVA)	<p style="text-align: center;"> Market value of equity – Book value of equity </p>