Cash Flow

INTERMEDIATE PRACTICE WORKSHEET

Pull up a real company's cash flow statement (any investor relations site or free financial data site works) for a company you're curious about. There's no wrong answer, the goal is just practice.

Section 1 - Find the Three Sections

Which company, and what period? Write down cash flow from operating, investing, and financing activities.

Section 2 - Calculate Free Cash Flow

Using operating cash flow and the capital expenditure line (usually within investing activities), calculate free cash flow.

Section 3 - Compare Cash to Profit

Compare operating cash flow to net income for the same period. Are they close, or is there a meaningful gap? If there's a gap, can you find why in the notes?

Section 4 - Read What Financing Activities Fund

Is financing cash flow positive or negative? Is the company raising debt, repaying it, paying dividends, or buying back stock?

Section 5 - Reflection

Based only on the cash flow statement, does this company's profit look backed up by real cash? What would you still want to check before deciding?