

Working Capital & Cash Conversion Cycle Model

Institutional 12-Month CCC & Net Working Capital Forecast Reference

MODEL INPUTS & ASSUMPTIONS

Input Metric	Value	Basis / Notes
Annual Gross Revenue	\$1,200,000	Total Annual Credit Sales
Cost of Goods Sold (COGS)	\$600,000	Total Annual Cost of Sales
Average Accounts Receivable (AR)	\$164,055	Average AR Balance
Average Inventory Balance	\$98,630	Average Inventory Balance
Average Accounts Payable (AP)	\$78,904	Average AP Balance

CALCULATED KEY PERFORMANCE INDICATORS (KPIs)

KPI Metric	Formula	Result Value	Unit / Standard
Days Sales Outstanding (DSO)	$(AR / Revenue) \times 365$	49.9	Days
Days Inventory Outstanding (DIO)	$(Inventory / COGS) \times 365$	60.0	Days
Days Payable Outstanding (DPO)	$(AP / COGS) \times 365$	48.0	Days
CASH CONVERSION CYCLE (CCC)	DIO + DSO - DPO	61.9	DAYS (Funding Gap)
Net Working Capital (NWC)	AR + Inventory - AP	\$183,781	USD Net Working Capital