

ADJUSTED WORKING CAPITAL (AWC)

	XX23	XX24	XX25
Current Assets	12,469	16,606	8,856
Less: Financial Current Assets	(2,465)	(2,340)	(2,255)
Adjusted CA	10,004	14,266	6,601
Current Liabilities	17,610	20,472	13,820
Less: Financial Current Liabilities	(2,365)	(2,120)	(2,479)
Adjusted CL	15,245	18,352	11,341
AWC	(5,241)	(4,086)	(4,740)
Revenues	65,322	68,187	69,916
AWC/Revenues	(8.0%)	(6.0%)	(6.8%)

1. ADJUSTED CURRENT ASSETS

CA used in business operations.

2. ADJUSTED CURRENT LIABILITIES

Short-term liabilities used to fund business operations.

3. AWC

Reflects the cash tied-up in operations, depicting efficiency.

4. AWC/REV RATIO

A measure of efficiency

Lower ratio = More efficient

- More revenue with less capital

Higher ratio = Less efficient

- More money is stuck in receivables, inventory, or payables relative to sales.

5. WHAT DOES AWC TELL US?

1. **Efficiency** - AWC as a % of revenue
2. **Re-investment Trends**
3. **External Funding Needs**
4. **Revenue Capacity** - does the current AWC support future growth?
5. **Assets Utilization**