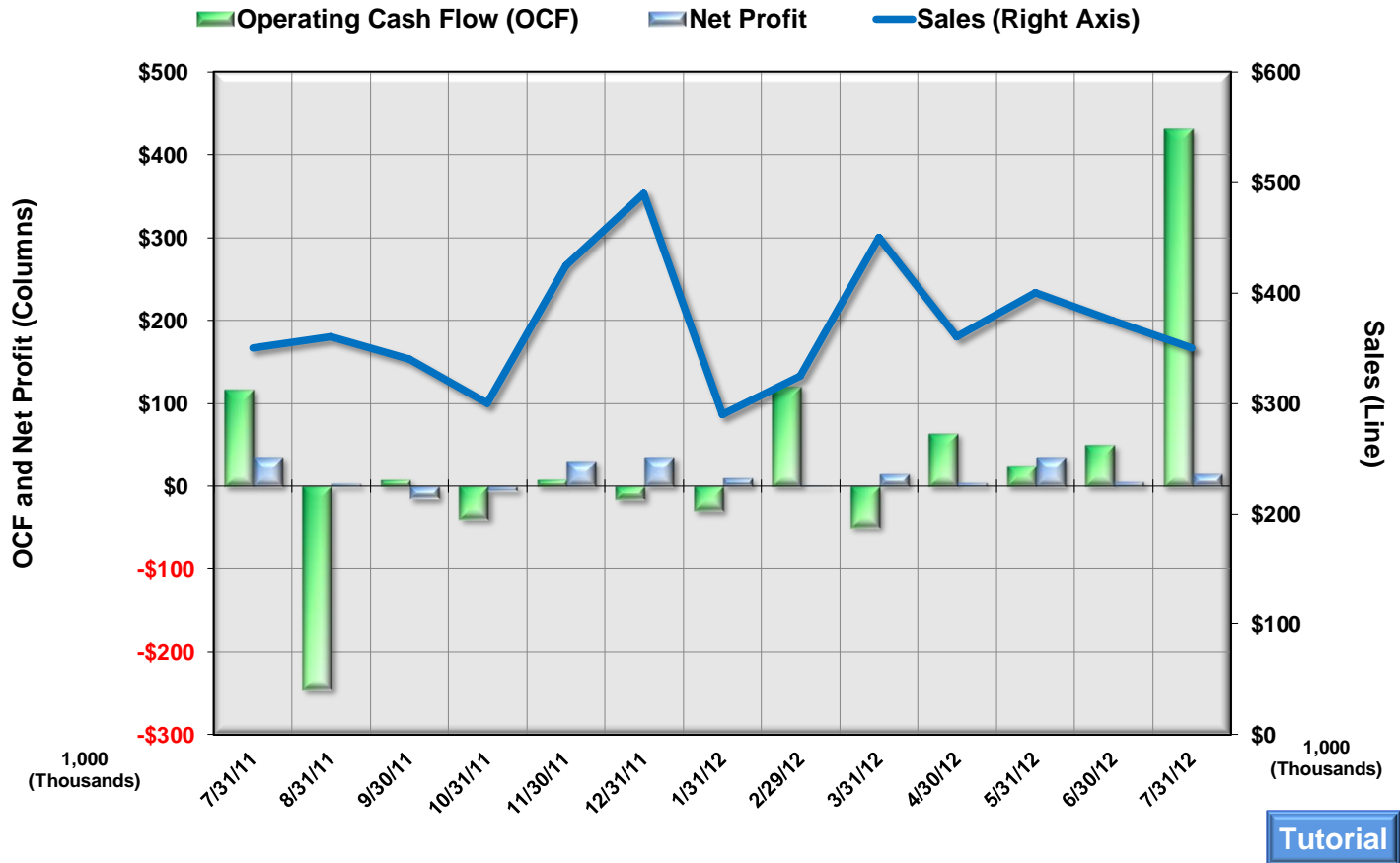


TREND CHART SALES, NET PROFIT, & OPERATING CASH FLOW

Hello Telephone Company



[Tutorial](#)

This chart shows the trend of three important metrics. The total Revenue/Sales is keyed to the right-hand side axis. Operating Cash Flow and Net Profit are keyed to the left-hand side axis.

Net Profit: is the amount of value added or lost in a business during a specific operating period of time. The accounting numbers used to generate this chart include non-cash values – this information must be considered along with cash when measuring the performance of a business.

Operating Cash Flow (OCF): Shows cash flow from operating activities. It reflects inflows and outflows of cash related to operating the enterprise and is a measurement of the internal generation of cash. If this is consistently larger than profit, the company will continue to build cash reserves or internal investment capacity. Since it adjusts for liabilities, receivables, and depreciation, operating cash flow is a more accurate measure of how much cash a company has generated (or used) than traditional measures of profitability such as net income or EBIT or EBITA. For example, a company with high-cost fixed assets on its books (factories, test equipment, or machinery, etc.) would likely have decreased net income due to depreciation. Since depreciation is a non-cash expense, Operating Cash Flow would provide a more accurate picture of the company's current cash holdings than the artificially low net profit. Operating Cash Flow is represented by columns in the chart.

Revenue or Sales: is the measurement of all billings for the value of products or services provided to customers for a reported time period. Sales can be expected to result in collections of cash as defined in related agreements.