Twitter Thread by Intrinsic Compounding



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Just finished recording the Working capital session and discussed 4 businesses with reduction in WC: Multiple second-order consequences

WC Reduction=Lighter Balance sheet=Lesser capital employed=Higher ROCE=Higher OCF=Eventually Higher Free cash flow=Improved perception

Finished with another class on different types of CAPEX:

Couldn't have imagined ever, That one co doing 1.5x asset turns on a greenfield plant will do 15x asset turns with debottlenecking the capacity. Appreciation of ratios increases when business understanding improves