

Simulated impact of selected policy actions of the new administration on US companies' financial statements

Balance sheet	Profit & loss statement	Cash flow statement
Cash	Income	Operating activities
Accounts Receivable	Sales	Net income from operations
Inventory	Other income	Depreciation expense
Other current		Change in WCR
PP&E	Expenditure	Investing activities
Goodwill	Cost of goods sold	Purchase of equipment
Def. financing fees		Sale of used equipment
Other non-current	Operating and other expenses	Financing activities
Total assets	Depreciation/Amortization	Increase in long term debt
Accounts Payable	Interest	Issuance of stock
Other current	Total	Dividends paid
New credit facility	Exceptional items	Net change in cash flow
New subordinated debt	Profit/(loss) before tax	
Other non-current	Less: Tax	
Equity	Profit/(loss) after tax	
Total liabilities & equity		

Measures proposed during the presidential campaign

1

Demand growth:
USD0.5tn in infrastructure spending over 10 years and partial personal income tax cuts

2

More inflation:
+2.2% in 2017, +2.7% in 2018 and higher interest rates
2-3 hikes up to 1.25% in 2017; 1-2 hikes up to 1% in 2018

3

Expensing of capital expenditure over the first year and (presumed) disallowance of interest expenses deductibility

4

Rising protectionism:
15% tariffs on Chinese goods as from H2 2017, NAFTA renegotiations

5

Corporate tax cuts to 15%

Measure #1 = positive impact on...
 Measure #4 = negative impact on...

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