

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

Balance sheet		Profit & loss statement		Cash flow statement
Cash	5	Income		Operating activities
Accounts Receivable	1 2	Sales	1 2	Net income from operations
Inventory		Other income		Depreciation expense
Other current				Change in WCR
PP&E	3	Expenditure		
Goodwill	4	Cost of goods sold	2 4	Investing activities
Def. financing fees				Purchase of equipment
Other non-current		Operating and other expenses		Sale of used equipment
Total assets		Depreciation/Amortization	3	
Accounts Payable	2 4	Interest	2 3	Financing activities
Other current		Total		Increase in long term debt
New credit facility	2	Exceptional items	4	Issuance of stock
New subordinated debt				Dividends paid
Other non-current		Profit/(loss) before tax		Net change in cash flow
Equity	4	Less: Tax	3 5	
Total liabilities & equity		Profit/(loss) after tax		

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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