Free Cash Flow = FCF (Finance)

@wikipedia

Adjustment in OCF for the changes in Fixed Assets:

FCF = OCF + Changes in Fixed Assets = OCF + (Income from Fixed Assets sold - CAPEX)
or
FCF = Net Income + Non-Cash Expenses - Increase in Working Capital + Changes in Fixed Assets
or
FCF = Total Revenue - COGS - OPEX - Non-Operating Expenses - Interest - Income Tax + Non-Cash Expenses - Increase in Working Capital + Changes in Fixed Assets

It is one of the most important measures of the Business profitability.

Positive FCF shows a clear profitability of the Business.

The early investment periods can face negative FCF but as soon as Net Income is positive with a growing FCF trend then Business can be considered as future-promising.

See also

Economics / Money / Currency / Cash / Cash Flow

Business / Business Administration / Financial Management / Financial Accounting

[Operating Cash Flow (OCF)][Profit and Loss]