

DCF Review

Citigroup Inc. (C)

Values in Millions except per share amounts

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Select Forecast To View:

See Year 15 in the DCF

	EY 2013	EY 2014	EY 2015	EY 2016	EY 2017	EY 2018	EY 2019	EY 2020	EY 2021	EY 2022	EY 2023	EY 2024	EY 2025	EY 2026	EY 2027
Dynamic Discounted Cash Flow Analysis															
<i>The Calculations that drive the Decision Page</i>															
GAP (Growth Appreciation Period)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Total Operating Revenue	\$78,593.76	\$88,025.01	\$98,588.01	\$110,418.57	\$123,668.80	\$137,272.37	\$152,372.33	\$169,133.29	\$187,737.95	\$208,389.12	\$231,311.93	\$256,756.24	\$284,999.43	\$316,349.36	\$351,147.79
Total Operating Revenue Growth	12.0%	12.0%	12.0%	12.0%	12.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
NOPBT (Net Operating Profit Before Tax)	\$14,146.88	\$15,844.50	\$17,745.84	\$19,875.34	\$22,260.38	\$24,434.48	\$27,122.28	\$30,105.73	\$33,417.36	\$37,093.26	\$41,173.52	\$45,702.61	\$50,729.90	\$56,310.19	\$62,504.31
NOPBT Margin	18.0%	18.0%	18.0%	18.0%	18.0%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%
Cash Tax Rate	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
NOPAT Margin	14.4%	14.4%	14.4%	14.4%	14.4%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%
NOPAT (Net Operating Profit After Tax)	\$11,317.50	\$12,675.60	\$14,196.67	\$15,900.27	\$17,808.31	\$19,547.59	\$21,697.82	\$24,084.58	\$26,733.88	\$29,674.61	\$32,938.82	\$36,562.09	\$40,583.92	\$45,048.15	\$50,003.45
Net Working Capital Delta	5,052.5	5,658.8	6,337.8	7,098.3	7,950.1	8,162.1	9,060.0	10,056.6	11,162.8	12,390.7	13,753.7	15,266.6	16,945.9	18,810.0	20,879.1
Fixed Adjusted Assets Delta	1,684.2	1,886.3	2,112.6	2,366.1	2,650.0	2,720.7	3,020.0	3,352.2	3,720.9	4,130.2	4,584.6	5,088.9	5,648.6	6,270.0	6,959.7
Change in Invested Capital	6,736.6	7,545.0	8,450.4	9,464.4	10,600.2	10,882.9	12,080.0	13,408.8	14,883.7	16,520.9	18,338.2	20,355.4	22,594.5	25,079.9	27,838.7
FCF (Free Cash Flow)	\$4,580.89	\$5,130.60	\$5,746.27	\$6,435.83	\$7,208.12	\$8,664.73	\$9,617.85	\$10,675.82	\$11,850.15	\$13,153.67	\$14,600.58	\$16,206.64	\$17,989.37	\$19,968.20	\$22,164.70
FCF Present Value	4,122.1	4,154.4	4,187.0	4,219.8	4,252.9	4,600.3	4,595.0	4,589.6	4,584.3	4,579.0	4,573.7	4,568.4	4,563.0	4,557.7	4,552.5
FCF Cumulative Present Value	4,122.1	8,276.6	12,463.6	16,683.4	20,936.3	25,536.6	30,131.6	34,721.2	39,305.5	43,884.5	48,458.2	53,026.6	57,589.6	62,147.4	66,699.8
Terminal Value	113,896.1	127,563.7	142,871.3	160,015.9	175,644.1	194,965.0	216,411.1	240,216.3	266,640.1	295,970.5	328,527.3	364,665.3	404,778.5	449,304.1	487,974.5
Present Value of Terminal Value	102,489.9	103,293.2	104,102.7	104,918.5	103,632.2	103,511.8	103,391.6	103,271.5	103,151.5	103,031.7	102,912.0	102,792.5	102,673.1	102,553.8	100,226.1
Corporate Value	\$106,612.09	\$111,569.74	\$116,566.24	\$121,601.90	\$124,568.50	\$129,048.45	\$133,523.19	\$137,992.74	\$142,457.09	\$146,916.26	\$151,370.24	\$155,819.06	\$160,262.70	\$164,701.19	\$166,925.93
● Excess Cash	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
● Adjusted Net Assets from Discontinued Operations	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0
● Net Deferred Tax Liability	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
● Net Deferred Compensation Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
● Adjusted Unconsolidated Subsidiary Assets (non-operating)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
● Adjusted Total Debt	(6,089.8)	(6,089.8)	(6,089.8)	(6,089.8)	(6,089.8)	(6,089.8)	(6,089.8)	(6,089.8)	(6,089.8)	(6,089.8)	(6,089.8)	(6,089.8)	(6,089.8)	(6,089.8)	(6,089.8)
● Fair Value of Preferred Capital	(2,562.0)	(2,562.0)	(2,562.0)	(2,562.0)	(2,562.0)	(2,562.0)	(2,562.0)	(2,562.0)	(2,562.0)	(2,562.0)	(2,562.0)	(2,562.0)	(2,562.0)	(2,562.0)	(2,562.0)
● Fair Value of Minority Interests	(1,948.0)	(1,948.0)	(1,948.0)	(1,948.0)	(1,948.0)	(1,948.0)	(1,948.0)	(1,948.0)	(1,948.0)	(1,948.0)	(1,948.0)	(1,948.0)	(1,948.0)	(1,948.0)	(1,948.0)
● Value of Outstanding ESO After-Tax	(445.6)	(445.6)	(445.6)	(445.6)	(445.6)	(445.6)	(445.6)	(445.6)	(445.6)	(445.6)	(445.6)	(445.6)	(445.6)	(445.6)	(445.6)
● Pensions Net Funded Status	(2,885.0)	(2,885.0)	(2,885.0)	(2,885.0)	(2,885.0)	(2,885.0)	(2,885.0)	(2,885.0)	(2,885.0)	(2,885.0)	(2,885.0)	(2,885.0)	(2,885.0)	(2,885.0)	(2,885.0)
Shareholder Value	\$92,717.76	\$97,675.41	\$102,671.91	\$107,707.57	\$110,674.18	\$115,154.12	\$119,628.86	\$124,098.41	\$128,562.76	\$133,021.93	\$137,475.9	\$141,929.9	\$146,383.9	\$150,837.9	\$153,031.61
● Shares Outstanding	3,038.8	3,038.8	3,038.8	3,038.8	3,038.8	3,038.8	3,038.8	3,038.8	3,038.8	3,038.8	3,038.8	3,038.8	3,038.8	3,038.8	3,038.8
Shareholder Value per Share	\$30.51	\$32.14	\$33.79	\$35.44	\$36.42	\$37.90	\$39.37	\$40.84	\$42.31	\$43.78	\$45.24	\$46.70	\$48.17	\$49.63	\$50.36
GAP (Growth Appreciation Period)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Maximum Loss Exposure from Special Purpose Entities	27,007.0	27,007.0	27,007.0	27,007.0	27,007.0	27,007.0	27,007.0	27,007.0	27,007.0	27,007.0	27,007.0	27,007.0	27,007.0	27,007.0	27,007.0
Decision Page pulls Performance Hurdles values from below for the relevant GAPs															
Total Operating Revenue CAGR	12.0%	12.0%	12.0%	12.0%	12.0%	11.8%	11.7%	11.6%	11.6%	11.5%	11.5%	11.4%	11.4%	11.4%	11.3%
Average Economic Earnings Margin	(8.0%)	(7.8%)	(7.7%)	(7.5%)	(7.3%)	(7.2%)	(7.0%)	(6.8%)	(6.6%)	(6.4%)	(6.2%)	(6.0%)	(5.8%)	(5.6%)	(5.4%)
Average ROIC	3.1%	3.3%	3.5%	3.6%	3.8%	4.0%	4.1%	4.3%	4.5%	4.7%	4.9%	5.1%	5.3%	5.5%	5.7%
ROIC (Return On Invested Capital)	3.1%	3.4%	3.8%	4.1%	4.5%	4.8%	5.2%	5.6%	6.0%	6.4%	6.8%	7.3%	7.7%	8.2%	8.7%
● WACC (Weighted Average Cost of Capital)	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%
Incremental Return on Capital	19.6%	20.2%	20.2%	20.2%	20.2%	16.4%	19.8%	19.8%	19.8%	19.8%	19.8%	19.8%	19.8%	19.8%	19.8%
Average NOPAT Margin	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%
Average Avg Invested Capital Turns	0.22	0.23	0.24	0.25	0.26	0.28	0.29	0.30	0.31	0.33	0.34	0.36	0.37	0.38	0.40
NOPAT CAGR	17.7%	14.8%	13.9%	13.4%	13.1%	12.6%	12.3%	12.2%	12.0%	11.9%	11.8%	11.8%	11.7%	11.7%	11.6%

\$50/share value achieved in 15th year of model

See the NOPAT CAGR, margins and ROIC req'd to achieve the \$50/share in 15 yrs.