

Recast Sellers Discretionary Earnings (SDE) worksheet

year end _____

Total Revenue	
- Cost of Goods Sold	
= Gross Profit	
- Expenses	
= Book net before tax	
+/- Adjust other income/expense	
= Net income before tax	

Earnings Reconstruction

+ Owner Salary (one owner)	
- Deduct family/partners replace cost	
+ Depreciation/Amortization	
+ Interest expense	
+ Equipt/Vehical lease expense	
<i>Fringe Benefits</i>	
+ Owners Insurance expense	
+ Excess Travel/Meals/Entertainment	
+ Owners 401K IRA contributions	
+ Excess Auto expense	
+ Excess Charity contributions	
+/- Rent Normalization	
+/- Non-recurring expense	
= Seller Discretionary Earnings (SDE)	

Recast SDE for the most recent three years