



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

Fringe Benefits

+ 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