

ADJUSTED CASH FLOW STATEMENT

For Valuation Purposes

Company Name:

Valuation
Date:

Prepared By:

Currency /
Units:

LINE ITEM	YEAR:	YEAR:	YEAR:	YEAR:
1. Operating Earnings Base				
Operating Income (EBIT)				
Plus: Depreciation & Amortization (D&A)				
EBITDA				
2. Normalizing Adjustments (Add-backs / Reductions)				
Excessive/Under Owner's Compensation				
Non-Arm's Length Expenses (e.g., Rent adjustment)				
Non-Recurring / Extraordinary Professional Fees				
Gains/Losses on Sale of Assets				
Other Discretionary Expenses				
Total Normalizing Adjustments				
Adjusted EBITDA (Seller's Discretionary Earnings)				
3. Free Cash Flow Reinvestments				
Less: Normalized Taxes				
Less: Maintenance Capital Expenditures (CapEx)				
Less: Change in Net Working Capital (NWC)				
Adjusted Free Cash Flow to Firm (FCFF)				
4. Financing Adjustments (For FCFE Valuation)				
Plus: Net Borrowing / (Debt Repayment)				
Less: Interest Expense (After-Tax)				
Adjusted Free Cash Flow to Equity (FCFE)				

Methodology Notes & Valuation Assumptions
