APG Partners

EXIT PREPARATION · OWNER'S WORKSHEET

Build your normalised EBITDA, line by line.

A buyer values the business on normalised EBITDA, not the number in your accounts. Work through this to build yours, with the evidence behind each adjustment, so it holds up when a buyer's advisor tests it.

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HOW TO USE THIS

An add-back you can't evidence is just a number a buyer gets to delete.

Start with your reported EBITDA, then work through the categories below. For each adjustment, write what it is, the amount, and the evidence you could put in front of a buyer's accountant. If you can't point to evidence, leave the "defensible" box empty, and treat it as a maybe rather than a certainty.

> The instinct is to maximise add-backs. Resist it. **A shorter list you can fully defend is worth more than a long one a buyer picks apart, because once one number looks engineered, every number gets re-checked.**

0 Start: reported EBITDA

Straight from your accounts, before any adjustments.

Reported EBITDA (most recent full year)	

01 Owner remuneration, adjusted to market

The gap between what you pay yourself and what a hired manager would cost. Add back if above market; subtract if below.

ITEM	AMOUNT ($)	EVIDENCE YOU CAN SHOW	DEFENSIBLE?
			Y / N
			Y / N

02 Genuine one-off costs

Costs that will not recur: a legal settlement, a flood repair, an abandoned project. Real, documented, clearly not normal operations.

ITEM	AMOUNT ($)	EVIDENCE YOU CAN SHOW	DEFENSIBLE?
			Y / N
			Y / N
			Y / N

03 Personal expenses run through the business

Your vehicle, personal travel, a family member on payroll who does not work in the business. Add back only if genuinely personal, not load-bearing.

ITEM	AMOUNT ($)	EVIDENCE YOU CAN SHOW	DEFENSIBLE?
			Y / N
			Y / N
			Y / N

04 Non-market related-party costs

Rent paid to yourself on a building you own, or similar, above or below a market rate. Normalise to market, in whichever direction it runs.

ITEM	AMOUNT ($)	EVIDENCE YOU CAN SHOW	DEFENSIBLE?
			Y / N
			Y / N

05 Downward adjustments

Be honest here: costs a new owner would carry that you don't, or income that won't repeat. Leaving these out is what unravels in diligence.

ITEM	AMOUNT ($)	WHY IT LOWERS THE NUMBER	DEFENSIBLE?
			Y / N
			Y / N

Your normalised EBITDA

Reported EBITDA

\+ Total defensible add-backs (sections 01–04)

− Total downward adjustments (section 05)

= Normalised EBITDA

What a buyer will strike off

- **"Exceptional" costs that happen every year.** A one-off that recurred three years running isn't one-off.
- **Discretionary cuts dressed up as non-recurring.** If the business needs the spend to run, it's operational.
- **Optimistic run-rate adjustments.** The full annual benefit of a change made two months ago, treated as already banked.
- **Owner "goodwill" the business can't survive without.** If the earnings depend on you, that's founder dependency, not an add-back.

A number you can defend is worth more than a bigger one you can't.

Once you have a normalised figure, a Commercial Assessment pressure-tests it the way a buyer's advisor would, and shows what it's actually worth once the risks around it are priced in.

Start with a Commercial Assessment → apg.partners/commercial-assessment

General information, not financial, accounting or valuation advice. What a buyer accepts varies by deal, sector and circumstance. Use this to prepare, then take specific advice on your own numbers.