

# "Quickly Approximating a Value of a Business"

## Online Business Example:

SDE Formula:

Net Income: \$50,000

Adjusted Expense-

+ Amortization: \$3,000

+ Bad Debt \$1,000

+ Depreciation: \$30,000

+ Interest: \$10,000

+ Personal Meals: \$2,500

+ Officers Comp: \$60,000

+ Personal Travel: \$3,500

+ Personal Vehicle: \$12,000

=(SDE) \$172,000

(SDE) \$172,000 X (1,2,3,4,etc.)

## INCOME STATEMENT Ending Dec. 31, 2019

### REVENUES:

Sales Revenue	\$500,000
Other Revenue	\$0
<b>TOTAL REVENUE</b>	<b>\$500,000</b>

Cost of Goods Sold	\$139,000
<b>GROSS PROFIT</b>	<b>\$361,000</b>

### EXPENSES:

Accounting	\$2,500
Advertising	\$25,000
Amortization	\$3,000
Bad Debt	\$1,000
Depreciation	\$30,000
Employee Payroll	\$15,000
Employee Wages	\$100,000
Entertainment	\$5,000
Insurance	\$2,000
Interest Expense	\$10,000
Meals	\$2,500
Miscellaneous	\$5,000
Officers Comp	\$60,000
Rent	\$24,000
Software	\$1,500
Telephone	\$2,500
Travel	\$3,500
Utilities	\$6,000
Web Hosting	\$500
Vehicle Expense	\$12,000

**TOTAL EXPENSES** \$311,000

**NET OPERATING INCOME** \$50,000

Other Income \$0

**NET INCOME** \$50,000