Normalized EBITDA Bridge — Work Sample

HSM Strategic — Deal Research & Analytics Partner

What This Is

This is a completed, illustrative EBITDA bridge built to the same standard and structure we use in live diligence engagements. The company name, financial figures, and every identifying detail are fictionalized — this is not a real client, deal, or transaction. The addback

Why We're Showing This

Every deal-support firm says its work is rigorous. Almost none show what that actually looks like, because real engagements are confidential by default. This sample exists to close that gap —

Want This Built Around Your Deal

HSM Strategic builds normalized EBITDA bridges as part of financial and operational due diligence engagements. Reach out via hsmstrategic.com if you'd like this built around your actual deal.

Normalized EBITDA Bridge — Sample (Illustrative)

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SAMPLE — fictionalized company and figures, illustrative only

Company Name:	Harborline Route Software, Inc. (fictional)
Period / LTM Ending:	June 30, 2025
Prepared By:	HSM Strategic — Deal Research & Analytics

Category	Description	Amount ($)	Rationale / Supporting Documentation
Reported EBITDA	*Per FY2024 financial statements / QoE report*	**$1,850,000**	Company-prepared LTM financials, tied to bank statements
ADDBACKS — Increases to Reported EBITDA			
Owner Compensation Normalization	Excess owner salary above market-rate GM replacement	$310,000	Owner draws $475K; market-rate GM comp per Radford/industry comp bench is ~$165K
Non-Recurring Legal Costs	One-time IP dispute settlement, concluded Q3 2024	$95,000	Settlement agreement and legal invoices; matter closed, no recurring exposure
Non-Operating Expenses	Personal vehicle lease run through company accounts	$18,000	Lease agreement and GL detail; confirmed non-business use with controller
Related-Party Rent Normalization	Facility leased from an entity owned by the founder, above market rate	$42,000	Independent market rent comp for comparable industrial space; delta added back
One-Time ERP Migration Costs	Implementation and consulting fees for 2024 NetSuite migration	$65,000	Vendor invoices; one-time project, not part of ongoing run-rate
Total Addbacks		**$530,000**	
DEDUCTIONS — Decreases to Reported EBITDA			
Non-Recurring Gains	Insurance proceeds from one-time equipment loss claim, Q1 2024	$28,000	Insurance settlement statement; non-operating and non-recurring, excluded from run-rate
Understated Deferred Expenses	Unpaid FY2024 bonus accrual omitted from reported financials	$15,000	Payroll register and accrual schedule; corrects an understatement in reported EBITDA
Total Deductions		**$43,000**	
Net Adjustments		**$487,000**	
Adjusted EBITDA		**$2,337,000**	
Addbacks as % of Reported EBITDA		**28.6%**	*28.6% here — within normal range but close enough to the ~25–30% threshold that we flagged it for the IC memo and made sure every line had documentation behind it*

Illustrative sample only. Company name and figures are fictional. This does not constitute financial, investment, accounting, or legal advice. HSM Strategic — research & execution support only. No investment advice, valuation opinions, or intermediary services.