EBITDA is the acronym for **earnings before interest, taxes, depreciation, and amortization.**

The calculation of **EBITDA** includes:

Amounts from the income statement for the year ended ________________________.

Earnings (net income after tax)	$ ______	**E**	
Add back: Interest expense	$ ______	**I**	
Add back: Income tax expense	$ ______	**T**	
Add back: Depreciation expense	$ ______	**D**	
Add back: Amortization expense	$ ______	**A**	
= Earnings before interest, taxes, depreciation, and amortization . . .	**$ ______**	**EBITDA**	(E + I + T + D + A)

Notes:

EBITDA is referred to as a non-GAAP financial measure. In other words, EBITDA can only be a supplementary disclosure. EBITDA is used by some companies to provide insight on its operating results. It is also used by some in estimating the value of a company.

In addition to EBITDA, some companies calculate "adjusted EBITDA" and "adjusted EBITDA margin." The definition of these terms can vary between companies. As a result you should read each company's definition and review its calculations.

See **Filled-In Form R21** for an illustration.