PLAIN ENGLISH

How to read a P&L like a buyer.

Five lines tell you most of the story.

THE METHOD

Buyers do not read top to bottom.

They hunt. Real profit, owner dependence, hidden costs, direction of travel, and concentration. Everything else on the page is decoration around those five answers.

LINE ONE

Revenue: direction beats size.

Three flat or rising years beat one big year. Lumpy project revenue is worth less than boring repeat revenue at the same total, because next year is already half sold.

Ask what happens to revenue if nobody picks up the phone for a month.

LINE TWO

Gross margin: is the work itself profitable?

Revenue minus the direct cost of doing the jobs. If this number erodes year over year, the business is buying work with price cuts, and no amount of overhead trimming fixes that.

LINE THREE

The add back section.

Owner salary and payroll taxes	fair
Personal truck, phone, travel	fair
One time lawsuit, flood repair	fair
Family on payroll who work	not fair

Add backs turn reported profit into SDE. Honest ones raise the price. Aggressive ones kill the buyer's trust in every other number.

LINE FOUR

The costs that are missing.

A market rate manager if you leave. Deferred maintenance on aging trucks. Software the seller's nephew was doing for free. Buyers add these in, and the profit that survives is the one they multiply.

LINE FIVE

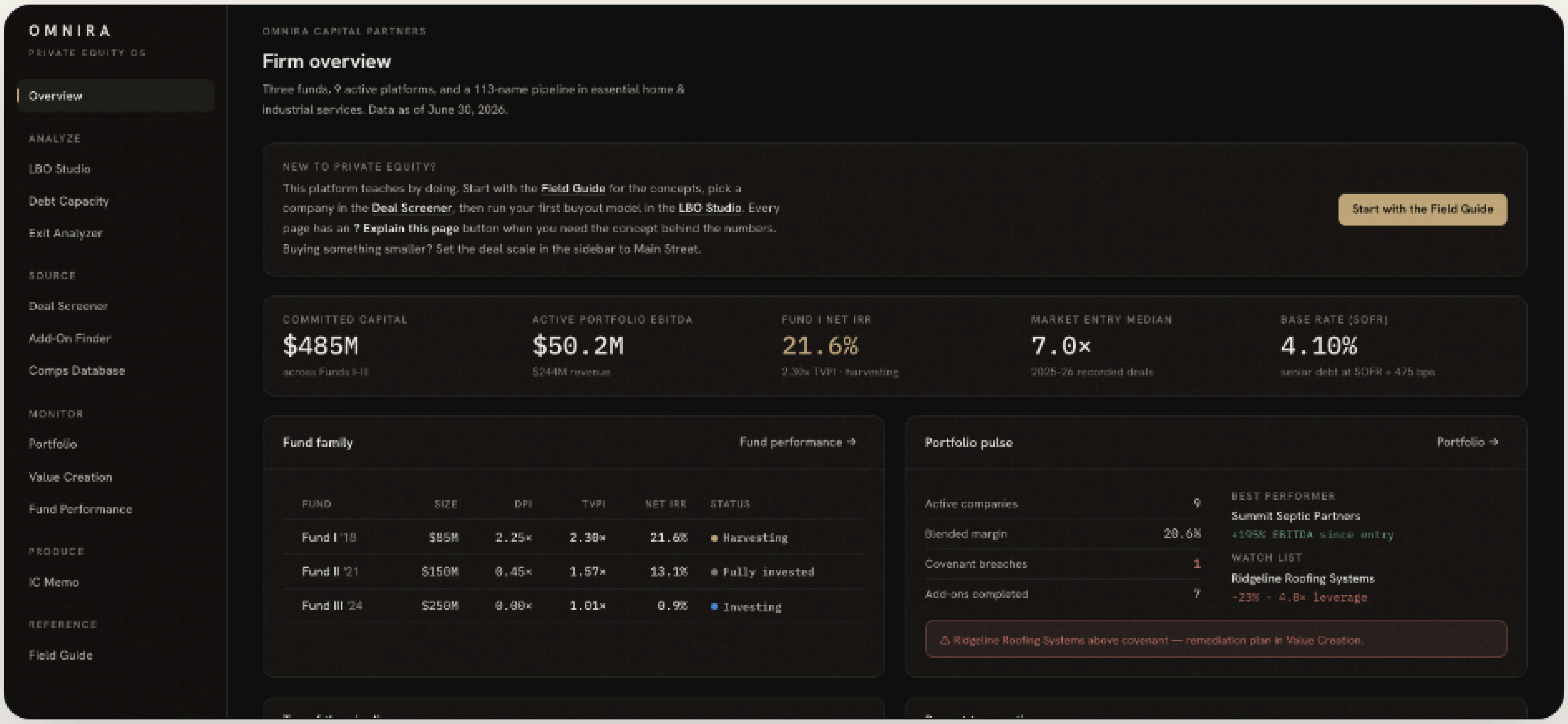
Red flags that reprice everything.

- One customer over 20 percent of revenue
- Cash sales that never hit the books
- Margins that swing wildly year to year
- Numbers that do not match the tax returns

None of these kill a deal on their own. All of them move the price.

TRY IT

See a full buyer's read in the terminal.



Every module reads a business the way a committee would, in plain English.

DM the word TERMINAL for access