

1

Determine  
Objectives

2

Isolate and  
Identify

3

Analyze and  
Interpret

4

Stress Test  
Earnings

5

Report Quality  
Earnings

**CONSISTENCY** - Earnings can be volatile, your analysis shouldn't be  
**SAS PROVIDES QUALITY ASSURANCE**

**Who Needs Quality of Earnings (QOE):**

- Banks
- Private Equity
- Family Offices
- Sellers
- Buyers

**What are Risks to Consistent and Sustainable Earnings?**

- Covid
- Customer Concentration Risk
- Uncontrolled Expense
- Supply Chain Risk
- Technological Disruption
- Change of Control

**When is a QOE Audit Necessary?**

- Buy Side Transactions
- Sell Side Transactions
- Creditor Extension (Banks, Mezz, Lenders)
- Private Equity Transactions
- Pre and Due Diligence

**QOE Measures:**

- Cash Flow
- Unique Events
- Data Trend Sensitivity
- Risk of Credit
- Future Expectations
- Validity of Numbers

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