

Regulation G

Regulation G requires:

- Presentation of the most directly comparable financial measure calculated and presented in accordance with GAAP, and
- Reconciliation of the differences between the non-GAAP financial measure and the comparable GAAP measure

Regulation G prohibits:

- Presentation of any non-GAAP financial measure if it contains a material misstatement or omits information that makes the measure misleading

The requirements of Regulation G apply to any public disclosure.



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Regulation S-K Item 10(e)

Under Regulation S-K Item 10(e), a registrant...

MUST

- Present, with equal or great prominence, the most directly comparable GAAP measure
- Disclose the reasons management believes the non-GAAP financial measure is useful to investors
- Disclose the additional purposes, if any, for which management uses the non-GAAP financial measure

CANNOT

- Exclude charges or liabilities that require cash settlement from non-GAAP liquidity measures (EBIT and EBITDA are examples)
- Adjust to eliminate or smooth items identified as non-recurring, infrequent or unusual (unless strict definition is met)
- Present on face of GAAP financial statements or accompanying notes
- Present on face of any pro forma required by S-X
- Use titles or descriptions that are the same as, or similar to, GAAP financial measures

The requirements of S-K Item 10(e) apply to all filings with the SEC and are in addition to the requirements of Regulation G.



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