

# KAMEL POTTERIES - P&L; COMPARISON REPORT

**Date:** October 21, 2025  
**Period:** January 1 - September 30, 2025 (9 months)

## SIDE-BY-SIDE P&L; COMPARISON

	Adjustments	Normalized (Buyer)			
.42	-	1,266,542.42			
.04	(1,141,451.04)	-			
.30	-	45,651.30			
23)	-	(0.23)			
3**	**(1,141,451.04)**	**1,312,193.49**			
.57	-	320,962.57			
6**	**(1,141,451.04)**	**991,230.92**			
9%		75.5%			
.51	-	47,898.51			
.12	-	1,739.12			
-	10,795.56	(10,795.56)			
.20	8,550.00	68,362.20			
.36	18,842.00	184,516.36		Legal Expenses	2,099.13
.26	-	1,407.26			
.83	-	347.83			
.36	-	3,464.36			
-	26,250.00	(26,250.00)			
.77	-	17,754.77			
.04	-	12,995.04			
.00	-	28,644.00			
.50	53,550.60	555,999.90			
8**	**117,988.16**	**888,182.92**			

	Adjustments	Normalized (Buyer)			
8**	**(1,023,462.88)**	**103,048.00**			
9%		7.9%			

## EBITDA RECONCILIATION

Calculation	As-Reported	Normalized
Net Profit	1,126,510.88	103,048.00
Add: Interest	203,358.36	184,516.36
Add: Depreciation	83,759.00	83,759.00
<b>**EBITDA (9 months)**</b>	<b>**1,413,628.24**</b>	<b>**371,323.36**</b>
<b>**Annualized (x 1.33)**</b>	<b>**1,880,125.56**</b>	<b>**494,060.07**</b>

## ADJUSTMENT DETAILS

### Personal Expenses Removed (Monthly)

Item	Amount	Annual
Personal Wages	5,950.07	71,400.84
Personal Insurance	950.00	11,400.00
Property Rent	2,916.67	35,000.00
Property Bond Interest	2,093.56	25,122.67
General Expenses	1,199.51	14,394.08
<b>**Monthly Total**</b>	<b>**13,109.80**</b>	<b>**157,317.59**</b>
<b>**9-Month Total**</b>		<b>**117,988.16**</b>

### Rental Income Excluded

Period	Amount
9 Months Actual	1,141,451.04
Monthly Average	126,828.00

Period	Amount
Annual Projection	1,521,934.72

## KEY METRICS COMPARISON

	Normalized	Change			
645	1,312,193	-46.5%			
642	1,266,542	0%			
5%	0%	N/A			
9%	75.5%	-11.4pp			
6%	28.3%	-29.3pp			
9%	7.9%	-38.0pp			
627	1,749,591	-1,521,935			
26	494,060	-1,386,066			
15	137,397	-1,364,618			

## VALUATION IMPACT

### Based on EBITDA Multiples

Multiple	As-Reported Value	Normalized Value	Difference
3.0x	R5,640,377	R1,482,180	-R4,158,197
4.0x	R7,520,502	R1,976,240	-R5,544,262
4.3x	R8,086,540	R2,124,458	-R5,962,082
5.0x	R9,400,628	R2,470,300	-R6,930,328

## NOTES FOR BUYER

### **1. Normalized P&L; represents actual transferable business operations**

- Excludes rental income from property not included in sale
- Removes personal expenses specific to current owner
- Shows true operational profitability

### **2. Key Risks Identified**

- Low operational margins (7.9% net)
- Heavy reliance on rental income in current structure
- Customer concentration (93% from 3 customers)
- Seasonal purchasing patterns (Q4 heavy)

### **3. Working Capital Considerations**

- VAT Payable: R560,000
- Owner Drawings YTD: R1,294,230
- Cash Position: R652,074

### **4. Required Due Diligence**

- Verify Q4 2024 sales to confirm seasonality claims
- Interview major customers about future orders
- Review all cost reduction opportunities
- Negotiate property lease terms separately

*This comparison clearly shows the business generates minimal profit from operations alone.*

*Rental income has been subsidizing operational losses/low margins.*