

KAMEL POTTERIES - EBITDA CALCULATION MEMO

FOR DUE DILIGENCE

Date: October 21, 2025

Period: October 2024 - September 2025

TRUE EBITDA CALCULATION

Starting Point: Xero Net Profit

R126,511

Add Back Non-Cash Items:

- Depreciation: R0 (already excluded)
- Amortization: R0 (already excluded)
- Interest: R167,184

Equals: Xero EBITDA

R293,695

NORMALIZATION ADJUSTMENTS (MEMO)

1. Remove Non-Operating Income

Rental Income: -R1,141,451

- Property: 5 Shaffer Street
- Tenant: FinFlood Pty Ltd
- Not included in business sale
- Monthly: R95,121

2. Add Back Owner Personal Expenses

Total: +R1,415,856

Monthly breakdown (R117,988/month):

- Entertainment: R31,973
- Travel (Personal): R35,086
- Personal Vehicle: R24,156
- Home Office: R16,497
- Other Personal: R10,276---

NORMALIZED EBITDA

Xero EBITDA: R293,695 Less: Rental Income (R1,141,451) Add: Personal Expenses R1,415,856
----- NORMALIZED EBITDA: R568,100

Key Metrics:

- **Monthly EBITDA:** R47,342
- **EBITDA Margin:** 6.1%
- **On Sales Only:** R9,303,610

VALUATION IMPACT

Multiple	Value	Assessment
3.0x	R1,704,300	Distressed
4.0x	R2,272,400	Fair Market
5.0x	R2,840,500	Strategic

Recommended: R2.0-2.5M (3.5-4.5x)

VERIFICATION CHECKLIST

- ✓ All personal expenses identified
- ✓ Rental income excluded
- ✓ Interest added back
- ✓ No double-counting
- ✓ Xero unchanged

CERTIFICATION

This EBITDA calculation represents the true transferable earnings available to a buyer after standard normalizations.

Prepared for: Due Diligence

Method: Memo adjustments only

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