

KAMEL POTTERIES - DUE DILIGENCE SUMMARY

FINAL EBITDA & VALUATION REPORT

Date: October 21, 2025
Prepared for: Business Sale Due Diligence

EXECUTIVE SUMMARY

Actual Transferable EBITDA: R568,100

Recommended Valuation: R2.0M - R2.5M

P&L; VERSIONS

1. AS-REPORTED (XERO - UNCHANGED)

- Revenue: R10,445,061
- EBITDA: R293,695 (2.8%)
- Net Profit: R126,511 (1.2%)

2. NORMALIZED (MEMO ADJUSTMENTS)

- Revenue: R9,303,610
- EBITDA: R568,100 (6.1%)
- Net Profit: R400,916 (4.3%)

MEMO ADJUSTMENTS APPLIED

Adjustment	Amount (R)	Type
Rental Income (FinFloat)	(1,141,451)	Exclude
Owner Personal Expenses	1,415,856	Add Back

TRUE BUSINESS METRICS

Operating Performance

- Sales Revenue: R9,303,610
- Gross Margin: 37.2%
- EBITDA Margin: 6.1%
- Monthly EBITDA: R47,342

Customer Concentration

- Pick n Pay: 68% of revenue
- Spar Group: 18% of revenue
- Other: 14% of revenue

VALUATION ANALYSIS

Multiple	Value (R)	Market Context
3.0x	1,704,300	Distressed Sale
3.5x	1,988,350	Below Market
4.0x	2,272,400	Fair Market Value
4.5x	2,556,450	Strategic Premium
5.0x	2,840,500	Full Synergies

Recommended: R2.0M - R2.5M

Based on:

- Normalized EBITDA of R568,100
- Customer concentration risk
- Competitive pressures
- Working capital needs---

KEY FINDINGS

Strengths

- ✓ Established customer base
- ✓ Long-term contracts
- ✓ Clean normalized financials
- ✓ Identifiable adjustments

Concerns

- Low margins (6.1% EBITDA)
- High customer concentration
- Import competition
- Working capital pressure

DOCUMENTS PROVIDED

1. **01_NORMALIZED_PL_MEMO.md** - Full P&L; analysis
2. **02_PL_COMPARISON.csv** - Excel comparison
3. **03_EBITDA_CALCULATION.md** - EBITDA bridge
4. **04_OWNER_DRAWINGS_DETAIL.md** - Personal expenses
5. **05_RENTAL_INCOME_EXCLUSION.md** - Rental memo
6. **06_DD_SUMMARY.md** - This summary

NEXT STEPS

For Buyer:

1. Review normalized EBITDA
2. Validate customer contracts
3. Assess working capital needs
4. Negotiate based on R2.0-2.5M range

For Seller:

1. Accept market reality
2. Focus on R2.0-2.5M range
3. Highlight growth potential
4. Prepare transition plan

CERTIFICATION

All adjustments are:

- Memo entries only (Xero unchanged)
- Fully documented
- Verifiable against source documents
- Standard normalization practices

Prepared by: Financial Analysis

Status: Ready for Due Diligence Review

Generated from 06_DD_SUMMARY.md on October 22, 2025