

DECISION BRIEF

The same business. A different price basis.

From reported results to repeatable earnings.

RECOMMENDATION

Use CZK 10m EBITDA for the model price ceiling. Explain dependence on the largest customer and resolve price adjustments before further price discussions.

CONDITION FOR THE NEXT STEP

CZK 42m is a model output, not an offer. Working capital, other liabilities and owners’ willingness to sell remain unconfirmed.

CZK 12m

Reported EBITDA

CZK 10m

Adjusted EBITDA

CZK 42m

Model equity ceiling

Bridge to normalised EBITDA

CZK m

12

-2

10

Reported EBITDA

Adjustments

Normalised EBITDA

INTERPRETATION NOTE

With the same model multiple and debt, the equity-value ceiling changes from CZK 54m to CZK 42m.

How much of reported profit belongs to normal operations?

Fictional demonstration with synthetic source documents. Company A makes industrial components. Comparing synthetic statements with ledger detail reveals a one-off gain. The hypothetical buyer chose a 6.0 multiple; this is neither a market valuation nor a real business offered for sale.

Year	Revenue	Reported EBITDA	One-off adjustment	Adjusted EBITDA	Adjusted margin
2023	CZK 104m	CZK 9.2m	CZK 0m	CZK 9.2m	8.85%
2024	CZK 112m	CZK 10.5m	CZK 0m	CZK 10.5m	9.38%
2025	CZK 120m	CZK 12m	CZK -2m	CZK 10m	8.33%

READING THE MODEL

A one-off gain on equipment disposal increased reported EBITDA by CZK 2m. Adjusted operating earnings are below the previous year.

Source IDs refer to the synthetic source packet on page 4.

03 / WHAT NEEDS TO BE RESOLVED

What needs to be resolved

C-F01 / CALCULATION

Two million did not come from normal production.

The ledger shows equipment-disposal proceeds of CZK 3m and a carrying amount of CZK 1m. The net effect included in reported EBITDA is +CZK 2m; the model excludes it as non-recurring.

SOURCE: C-S02

C-F02 / CALCULATION

Revenue growth masks a weaker margin.

Revenue rises from CZK 112m to CZK 120m, but EBITDA after the one-off adjustment falls from CZK 10.5m to CZK 10m. Adjusted margin changes from 9.38% to 8.33%. Explaining it requires a price, volume and cost bridge.

SOURCE: C-S01

C-F03 / CALCULATION

The same multiple gives a lower price ceiling.

$12 \times 6 - 18 = \text{CZK } 54\text{m}$ before adjustment; $10 \times 6 - 18 = \text{CZK } 42\text{m}$ after it. The CZK 12m difference comes solely from the earnings base. The multiple is the model buyer's rule, not a market benchmark.

SOURCE: C-S04

C-F04 / TO VERIFY

Net debt must be separated from other adjustments.

The model lists bank debt of 22 and cash of CZK 4m: net debt of CZK 18m. It lacks a complete lease schedule, other debt-like items and target working capital. The bridge is therefore not the final purchase price.

SOURCE: C-S03

C-F05 / ASSESSMENT

Ownership percentage does not determine signing authority.

The synthetic profile lists Owner A at 60% and Owner B at 40%. Transaction discussions require both under the model brief. Shareholdings alone establish neither authority to sign a sale nor consent to it.

SOURCE: C-S03

C-F06 / TO VERIFY

A third of revenue needs a separate explanation.

The largest customer represents 35% of revenue, or CZK 42m in the model. Its contract, margin and termination terms are missing. The percentage alone is not enough to accept or reject the opportunity.

SOURCE: C-S01

NEXT STEPS

01

Explain margin trends and customer dependence.

Owner: Management and financial analyst
Deliverable: Price, volume and cost bridge; largest-customer contract and margin; recurring and one-off items separated.

02

Complete the price bridge.

Owner: Finance and legal teams
Deliverable: Current debt, cash, leases, other liabilities and agreed working capital, with evidence for every adjustment.

03

Approve an approach to both owners.

Owner: Buyer and engagement lead
Deliverable: Evidenced ownership and authority, an approved message and questions on willingness, timing and price expectations.

The supporting evidence

Four synthetic source documents for this example. These are not actual company records, official documents or offers. Source IDs connect the evidence to the findings on page 3. Source dates belong to the model, not to market verification.

C-S01	Synthetic trading and customer summary
2026-09-01	Table 1 and section 2 Synthetic document. Company A; amounts in CZK m. 2023: revenue 104, EBITDA 9.2. 2024: revenue 112, EBITDA 10.5. 2025: revenue 120, EBITDA 12. No one-off adjustments are listed in the model for 2023 or 2024. EBITDA 2025 includes the net equipment-disposal gain in C-S02. The largest customer represents 35% of 2025 revenue. Its contract, customer margin and termination terms are not attached.
C-S02	Synthetic ledger detail of the one-off item
2026-09-01	Rows L01-L02 Synthetic document. Ledger detail for model year 2025: L01, disposal of retired equipment, proceeds CZK 3m. L02, derecognition of the same equipment, carrying amount charged to costs CZK 1m. The net CZK 2m gain is included in reported EBITDA of CZK 12m under the synthetic management summary. Disposal is outside normal component manufacturing. This model contains no other EBITDA adjustment or replacement investment for the equipment.
C-S03	Synthetic ownership and financing profile
2026-09-01	Sections 1-2 Synthetic document. Owner A: 60%; Owner B: 40%. The model brief requires both to participate in transaction discussions. This is not a registry extract and does not establish authority to sign a sale. Bank debt CZK 22m, cash CZK 4m. A complete lease schedule, other debt-like items and target working capital are missing. Owners' willingness to sell is unconfirmed and no contact has taken place.
C-S04	Synthetic buyer rule and price bridge
2026-09-01	Sections 1-2 Synthetic document. The model buyer applies a ceiling of 6.0× adjusted EBITDA. The multiple is not market-derived. Inputs from C-S01 through C-S03: reported EBITDA 12, one-off adjustment -2, adjusted EBITDA 10, net debt 22 - 4 = CZK 18m. Before adjustment: enterprise value 72 and equity value 54. After adjustment: enterprise value 60 and equity value 42. Working capital, other price items and transaction expenses are considered separately. This is not a price offer.