



SECTION 04 — WHERE THE MONEY REALLY IS

Quality of earnings.

The seller presents £305K of EBITDA on a clean two-page summary. The summary is not wrong — it is incomplete. Below is the same business read through a buyer's lens: every add-back tested against operational necessity, every one-time charge tested against a 36-month rolling window, and every revenue line tested for sustainability. The result is a defensible £270K of adjusted EBITDA — still strong, but £45K below stated.

4.1 EBITDA WATERFALL — REPORTED TO ADJUSTED

LINE	REPORTED	ADJUSTMENT	HUNTER-ADJUSTED
TTM Revenue	1,124,000	—	1,124,000
COGS (green coffee, packaging, freight)	(427,436)	(8,200)	(433,814)
Gross Profit	696,564	(8,200)	690,186
Operating expenses (stated)	(479,241)	—	(479,241)
Owner compensation add-back	+66,300	—	+66,300
Owner 'consulting' — recurring brand work	+14,500	(14,500)	—
Vehicle & fuel — operationally necessary	+11,200	(11,200)	—
Legal 'one-time' (3-yr avg test)	+10,100	(10,100)	—
Health insurance — owner only	+7,600	—	+7,600
Depreciation & amortization	+17,700	—	+17,700
Interest expense	+7,000	—	+7,000
Personal travel — verified non-business	+4,900	—	+4,900
Charitable contributions	+3,000	—	+3,000
Seller-Discretionary Earnings	305,000	(35,800)	269,200

THE £45,400 QUESTION

£18,400 'Consulting' — owner pays herself for monthly brand and packaging design continuing post-close. Buyer retains her or hires equivalent at ~£1,500–1,800/mo. Not an add-back.

£14,200 Vehicle/fuel — 2019 Transit van runs daily wholesale deliveries to 23 accounts within 38 miles. Removing it removes the wholesale book.

£12,800 Legal — stated as one-time, but the 36-month average is £11,400/yr. This is runrate expense, not exceptional spend.

4.2 REVENUE QUALITY — CHANNEL MIX & CONCENTRATION

CHANNEL	REVENUE	% MIX	GM %	YOY	STICKINESS
Retail café & in-store roastery	493,300	43.9%	71.2%	+5.8%	High · location-driven
Wholesale — restaurant & café accounts	384,600	34.2%	52.4%	+14.1%	Mixed · see §05
DTC subscription (1,840 active)	172,600	15.4%	64.8%	+22.4%	High · 84% 12-mo retention
DTC one-off, gifts, classes & events	73,800	6.5%	65.6%	+7.1%	Seasonal · partly owner-led
Total TTM	1,124,000	100%	61.6%	+8.4%	—

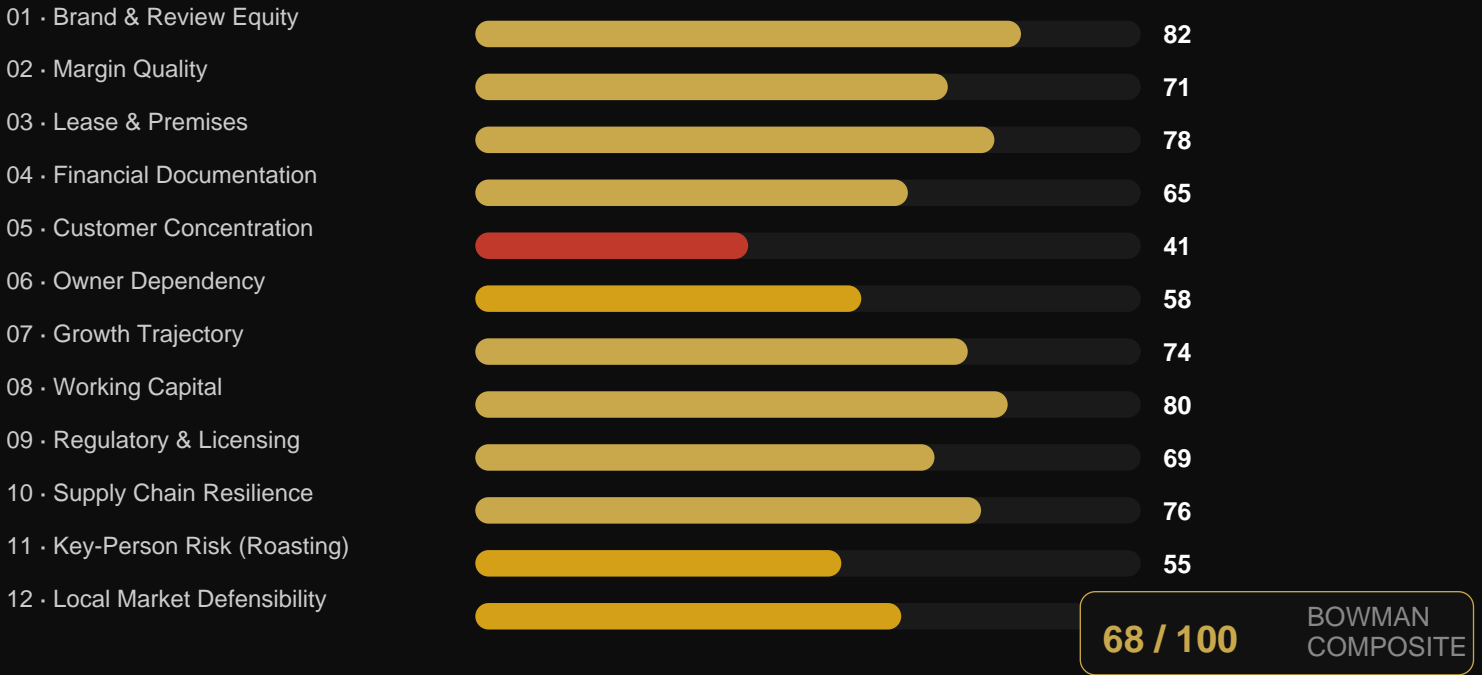
Read: wholesale carries concentration risk — two restaurants in one hospitality group represent £130,900 (34% of wholesale, 11.6% of revenue). No signed supply contract since 2021. Most important and most repairable fact in the file.



SECTION 05 — WHERE IT SCORES, WHERE IT BLEEDS

The twelve *vectors*.

The Bowman composite is the weighted average of twelve vectors, each scored 0–100 against category-specific benchmarks drawn from 4,800+ specialty-food and roaster transactions in the Hunter Suite reference set. Weights reflect what actually moves outcomes in this category — not what is easy to measure.



5.1 RISK REGISTER — THE FIVE THAT MATTER

#	RISK	SEV	LIKE	MITIGATION LEVER AVAILABLE AT LOI
R1	Wholesale concentration — 34% of wholesale (11.6% total revenue) in two accounts owned by one hospitality group. No written supply agreement. Handshake pricing since 2021.	HIGH	MED	Make LOI contingent on signed 24-month supply agreement with both accounts. Wholesale-retention earn-out: £75K paid month 18 if accounts retained at ≥90% TTM volume.
R2	Roaster key-person risk — Owner is sole certified Q-grader and roast profile architect. Two staff trained on production but not on cupping or new-profile development.	MED	MED	Negotiate 90-day full-time transition + 12-month part-time consulting at £3.2K/mo. Fund Q-grader certification for lead roaster (~£6.3K). Both are standard practice.
R3	Lease expiry & landlord — Current lease expires Aug-2027 (15 months). No automatic renewal clause. Coastal main-street rents up 22% in 36 months.	MED	HIGH	Pre-close: require seller to negotiate 5-year renewal with 3% annual cap before LOI is binding. This is a deal-condition, not a deal-killer.
R4	EBITDA overstatement — £45,400 of stated add-backs do not survive operational-necessity test (\$04). True adjusted EBITDA is £269,200.	MED	CONFIRMED	Reprice. At 3.0x adjusted EBITDA this is a £810K business, not £1.15M. Bring the \$04 waterfall to negotiation; the math is the lever.
R5	Single roaster bottleneck — 2019 Diedrich IR-12 (12kg) is the only production roaster. Operating at ~84% capacity. A 6-week outage would be catastrophic.	MED	LOW	Insurable and manageable. Budget ~£22K for a backup 3kg roaster in the year-1 capex plan.

