TurnRate Solutions

Financial Impact Packet

EVBOOKS LLC d/b/a Three Brothers Bookstore

2025 Actual P&L vs. July 2026 Annual Run Rate

Analysis period	Run-rate basis	Prepared by
2025 Actual vs. July 2026	**July 2026 annualized**	**TurnRate Solutions**

This packet compares full-year 2025 performance against the July 2026 P&L annualized run rate. July 2026 figures are annualized by multiplying July monthly results by 12. The analysis focuses on revenue, gross profit, net income, and owner economics.

Important note: This is a management analysis based on supplied bookkeeping exports, not an audit, review, compilation, tax opinion, or CPA attestation.

1. Executive Summary

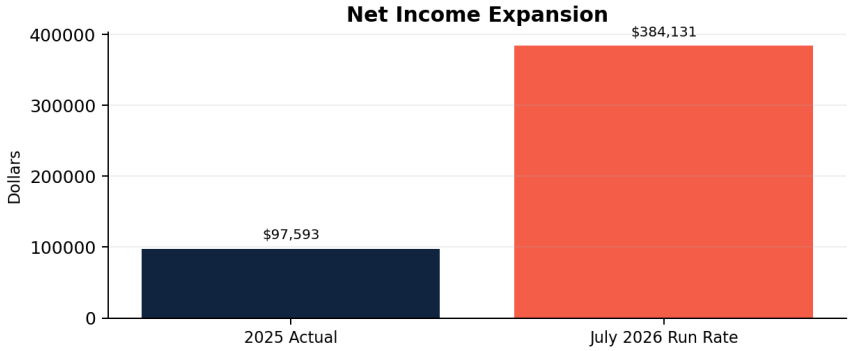
The main result is owner-economic expansion: approximately $218,000 in 2025 owner economics compared with approximately $528,131 on the July 2026 annualized run rate. That represents approximately $310,131 of annual value created, or $25,844 of incremental owner economics per month.

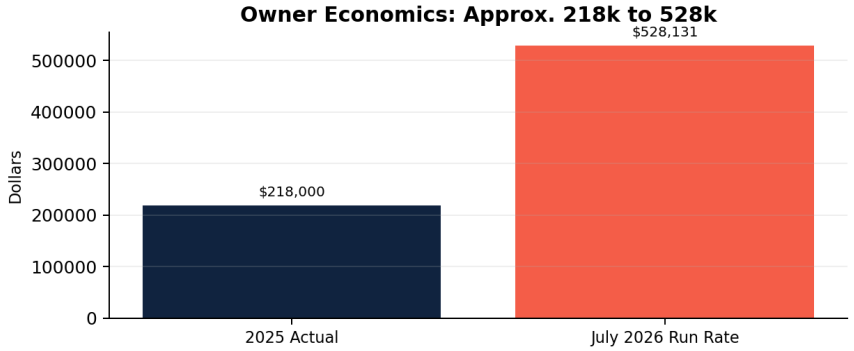
This improvement occurred while inbound book volume remained constant at 2 FTL loads per month. The business did not increase the number of full-truckload book receipts in the comparison period; the material change was the ongoing TurnRate data science service, including repricing software, monitoring, acceptance rules, pricing logic, and reporting.

2025 Owner Economics	July 2026 Owner Economics Run Rate	Annual Value Created
$218,000	**$528,131**	**$310,131**
Full-year baseline	July monthly result x 12	$25,844 incremental per month

Net Income Run Rate	Owner Economics Run Rate	Gross Profit Run Rate	Revenue Run Rate
$384,131	**$528,131**	**$2,932,446**	**$3,082,495**
$286,538 vs. 2025	$310,131 vs. 2025	$1,833,612 vs. 2025	$1,791,164 vs. 2025

July monthly net income is $32,011. With $12,000 of owner wages, July owner economics are $44,011 for the month, or approximately $528,131 annualized. The comparison is centered on net income and owner economics because those measures capture the actual cash-generating improvement visible in the P&L.





2. P&L Comparison - 2025 Actual vs. July 2026 Run Rate

The table below shows 2025 actual results, the 2025 monthly average, July 2026 monthly performance, and the annualized July run rate. The central comparison is the owner-economics movement from roughly $218k to roughly $528k.

Metric	2025 Actual	2025 Monthly Avg.	July 2026	July 2026 Annualized	Annualized Increase	% Change
Revenue	$1,291,331	$107,611	$256,875	$3,082,495	$1,791,164	+138.7%
Cost of Goods Sold	$192,498	$16,041	$12,504	$150,050	-$42,448	-22.1%
Gross Profit	**$1,098,834**	$91,569	$244,370	**$2,932,446**	$1,833,612	+166.9%
Operating Expenses	$978,336	$81,528	$211,965	$2,543,582	$1,565,246	+160.0%
Net Operating Income	$120,498	$10,042	$32,405	$388,863	$268,365	+222.7%
Net Other Income	-$22,905	-$1,909	-$394	-$4,732	$18,173	-79.3%
Net Income	**$97,593**	$8,133	$32,011	**$384,131**	$286,538	+293.6%
Owner Wages	$118,000	$9,833	$12,000	$144,000	$26,000	+22.0%
Owner Economics	**$218,000**	$18,167	$44,011	**$528,131**	$310,131	+142.3%

Run-rate calculation: July 2026 monthly figures are multiplied by 12. Owner economics equals net income plus officer wages.

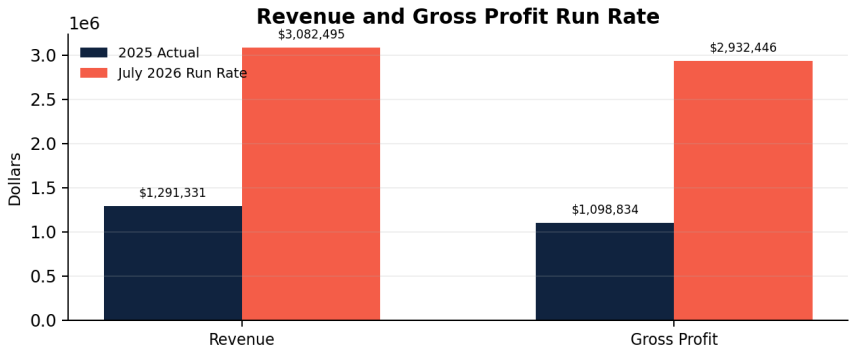
3. Margin and Profitability Impact

The improvement is not just higher sales volume. Gross profit margin expanded materially, while net income margin increased from 7.6% in 2025 to 12.5% in July 2026.

Metric	2025 Actual	July 2026 Run Rate	Change
Gross Profit Margin	85.1%	95.1%	+10.0 pts
Net Income Margin	7.6%	12.5%	+4.9 pts
Owner Economics Margin	16.9%	17.1%	+0.3 pts
Monthly Net Income	$8,133	$32,011	$23,878
Monthly Owner Economics	$18,167	$44,011	$25,844
Annual Net Income	$97,593	$384,131	$286,538
Annual Owner Economics	$218,000	$528,131	$310,131

Profit bridge

- 2025 actual net income was $97,593.
- July 2026 net income was $32,011 for one month.
- Annualized, that equals $384,131, an increase of $286,538 over 2025 net income.
- Including owner wages, July owner economics are $44,011 per month, or $528,131 annualized.



4. Operating Context - What Changed and What Did Not

Operating Factor	2025 Baseline	July 2026 / Current State	Performance Interpretation
Inbound book volume	2 FTL loads per month	2 FTL loads per month	No increase in full-truckload book intake. The profit expansion did not come from simply receiving more books.
Non-owner employees	0 non-owner employees	6 non-owner employees	The business added labor capacity and delegation while still expanding owner economics substantially.
Owner role	Owners performing technical tasks themselves	More relaxed, delegated, managerial work environment	Owner time shifted away from technical execution and toward management oversight.
TurnRate's data science service	Not reflected in 2025 baseline	Continuously operated, monitored, and maintained	Primary material change in the operating model identified for this comparison period.
Repricing software within the data science service	Not reflected in 2025 baseline	Integrated with ongoing monitoring, pricing logic, acceptance rules, and reporting	Financial impact is measured at the P&L level, especially net income and owner economics.

FTL Loads / Month	Non-Owner Employees	Owner Economics
2 -> 2	**0 -> 6**	**$218,000 -> $528,131**
No volume increase	Delegation added	$310,131 annual lift

5. Management Conclusion

The July 2026 P&L shows a materially stronger business than full-year 2025, with the clearest evidence in owner economics: approximately $218,000 in 2025 compared with approximately $528,131 on the July 2026 annualized run rate.

The comparison is especially meaningful because the amount of books received did not change: management reports 2 FTL loads per month in 2025 and 2 FTL loads per month in July 2026. At the same time, the business moved from 0 non-owner employees to 6 non-owner employees, and the owners shifted into a more relaxed, delegated, managerial work environment rather than performing technical tasks themselves.

- Owner economics improved from approximately $218,000 in 2025 to approximately $528,131 on the July 2026 run rate.
- That equals approximately $310,131 of annual owner-economic value created.
- Net income improved from $97,593 in 2025 to a run rate of $384,131.
- Gross profit improved from $1,098,834 in 2025 to a run rate of $2,932,446.
- The load count remained constant at 2 FTL loads per month, so the improvement is not explained by more inbound truckload volume.

Base-case annualized value created	Monthly owner economics lift	Monthly net income lift
$310,131	**$25,844**	**$23,878**
Owner wages + net income vs. 2025 actual	July 2026 vs. 2025 monthly avg.	July 2026 vs. 2025 monthly avg.

Sources and assumptions

- 2025 actuals are taken from the January-December 2025 Profit and Loss statement.
- July 2026 actuals are taken from the July 2026 Profit and Loss statement.
- July 2026 run rate equals July monthly figures multiplied by 12.
- Owner economics equals net income plus officer wages and is presented as an approximate management view for client-facing comparison.
- Operational context - 2 FTL loads per month, 0 to 6 non-owner employees, and owner role shift - is based on management context provided by TurnRate for this packet.
- This packet is a management analysis and should be reviewed against bookkeeping detail before use for tax, lending, or audited financial reporting purposes.

Appendix A: Full-Year 2025 Profit and Loss Statement

Source file: Profit and Loss (2).xlsx. Period shown in the statement: January-December, 2025.

Brothers Book Store
Profit and Loss
January-December, 2025

	Total
Income	
ABE Books Sales	$9,106.75
ABE Books Sales Refund	-$63.71
ABE Books Shipping Income	$1,639.50
Total for ABE Books Sales	**$10,682.54**
Amazon Sales	$789,695.22
Amazon Sales Discount	-$8,863.24
Amazon Sales Refund	-$32,582.84
Amazon Shipping Income	$126,740.66
Amazon Shipping Income-Refund	-$2,461.70
Total for Amazon Sales	**$872,528.10**
Ebay Sales	$314,735.68
Ebay Sales Refund	-$11,637.71
Ebay Shipping Income	$73,168.07
Total for Ebay Sales	**$376,266.04**
Sales	$31,854.81
Total for Income	**$1,291,331.49**
Cost of Goods Sold	
Cost of goods sold	
Supplies & materials - COGS	$192,497.54
Total for Cost of goods sold	**$192,497.54**
Total for Cost of Goods Sold	**$192,497.54**
Gross Profit	**$1,098,833.95**
Expenses	
Advertising & marketing	$35,471.81
Chargeback and Dispute	
Amazon	-$3,939.25
eBay	$1,656.51
Total for Chargeback and Dispute	**-$2,282.74**
Contributions to charities	$29.58
Employee benefits	$3,540.00
Health insurance & accident plans	$108.00
Total for Employee benefits	**$3,648.00**
General business expenses	
Bank fees & service charges	$1,054.11
Memberships & subscriptions	$2,041.61
Total for General business expenses	**$3,095.72**
Insurance	$1,308.00
Legal & Professional Services	
Accounting fees	$9,431.00
Total for Legal & Professional Services	**$9,431.00**
Meals	$217.95
Merchant account fees	
AEB Books Fee	$1,617.66
Amazon Fees	$255,261.58
FBA Fees	$182,894.56
FBA Inventory Fee	$35,262.52
Total for Amazon Fees	**$473,418.66**
Ebay Fees	$64,733.69

	Total
Total for Merchant account fees	**$539,770.01**
Office expenses	
Office Supplies & Software	$11,597.30
Shipping & postage	$138,920.44
Small tools & equipment	$18,386.78
Total for Office expenses	**$168,904.52**
Payroll expenses	
Employee Reimbursements	$12,255.53
Officer's Wages	
CV Wages	$29,499.99
DV Wages	$29,499.99
EV Wages	$59,000.02
Total for Officer's Wages	**$118,000.00**
Payroll Fee	$1,299.70
Payroll Taxes	$12,715.09
Total for Payroll expenses	**$144,270.32**
Rent	$69,384.00
Repairs & maintenance	$1,247.51
Taxes paid	$3,305.10
Utilities	
Disposal & waste fees	$535.00
Total for Utilities	**$535.00**
Total for Expenses	**$978,335.78**
Net Operating Income	**$120,498.17**
Other Income	
Credit card rewards	$1,003.52
Total for Other Income	**$1,003.52**
Other Expenses	
Depreciation	$22,820.00
Vehicle expenses	
Parking & tolls	$218.00
Vehicle gas & fuel	$870.55
Total for Vehicle expenses	**$1,088.55**
Total for Other Expenses	**$23,908.55**
Net Other Income	**-$22,905.03**
Net Income	**$97,593.14**

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Appendix B: July 2026 Profit and Loss Statement

Source file: Profit and Loss (1).xlsx. Period shown in the statement: July 2026.

Brothers Book Store
Profit and Loss
July 2026

	Total
Income	
ABE Books Sales	$23,034.56
ABE Books Sales Refund	-$216.77
ABE Books Shipping Income	$302.75
Total for ABE Books Sales	**$23,120.54**
Amazon Sales	$182,744.74
Amazon Sales Discount	-$98.71
Amazon Sales Refund	-$4,308.24
Amazon Shipping Income	$665.45
Amazon Shipping Income-Refund	-$20.63
Total for Amazon Sales	**$178,982.61**
Ebay Sales	$51,585.56
Ebay Sales Refund	-$1,173.97
Ebay Shipping Income	$818.46
Total for Ebay Sales	**$51,230.05**
Sales	$3,541.42
Total for Income	**$256,874.62**
Cost of Goods Sold	
Cost of goods sold	
Supplies & materials - COGS	$12,504.16
Total for Cost of goods sold	**$12,504.16**
Total for Cost of Goods Sold	**$12,504.16**
Gross Profit	**$244,370.46**
Expenses	
Advertising & marketing	$855.29
Chargeback and Dispute	
Amazon	$5.29
eBay	$127.28
Total for Chargeback and Dispute	**$132.57**
Contract labor	$3,372.02
General business expenses	
Bank fees & service charges	$64.44
Memberships & subscriptions	$3,048.93
Total for General business expenses	**$3,113.37**
Insurance	$357.00
Accounting fees	$399.00
Total for Legal & Professional Services	**$399.00**
Meals	$297.54
Merchant account fees	
AEB Books Fee	$4,096.40
Amazon Fees	$66,545.32
FBA Fees	$2,742.32
FBA Inventory Fee	$575.68
Total for Amazon Fees	**$69,863.32**
Ebay Fees	$10,088.50
Total for Merchant account fees	**$84,048.22**
Office expenses	
Office Supplies & Software	$2,970.61
Shipping & postage	$88,938.48

	Total
Small tools & equipment	$1,796.73
Total for Office expenses	**$93,705.82**
Payroll expenses	
Officer's Wages	
CV Wages	$3,000.00
DV Wages	$3,000.00
EV Wages	$6,000.00
Total for Officer's Wages	**$12,000.00**
Payroll Fee	$133.96
Payroll Taxes	$1,922.22
Salaries & wages	
Employee Salaries & Wages	$5,436.45
Total for Salaries & wages	**$5,436.45**
Total for Payroll expenses	**$19,492.63**
Rent	$5,782.00
Utilities	
Disposal & waste fees	$278.46
Internet & TV services	$131.26
Total for Utilities	**$409.72**
Total for Expenses	**$211,965.18**
Net Operating Income	**$32,405.28**
Other Expenses	
Vehicle expenses	
Vehicle gas & fuel	$394.33
Total for Vehicle expenses	**$394.33**
Total for Other Expenses	**$394.33**
Net Other Income	**-$394.33**
Net Income	**$32,010.95**

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