Karthea

Business Valuation & Advisory Report

FY2025 Business Valuation

Lakeshore Mechanical (FICTIONAL DEMO)

ENGAGEMENT	VALUATION DATE	REPORT DATE
FY2025 valuation engagement	2025-12-31	2026-11-19

> Illustrative sample using fictional company data.

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1. Executive Summary

Lakeshore Mechanical (FICTIONAL DEMO)

Valuation as of 2025–12–31

FY2025 Business Valuation

CONDITIONAL VALUATION INDICATION

758,781.46

Weighted consensus · Equity value

Conditional on stated assumptions · not market–validated

Valuation date 2025–12–31

RANGE ACROSS METHODS

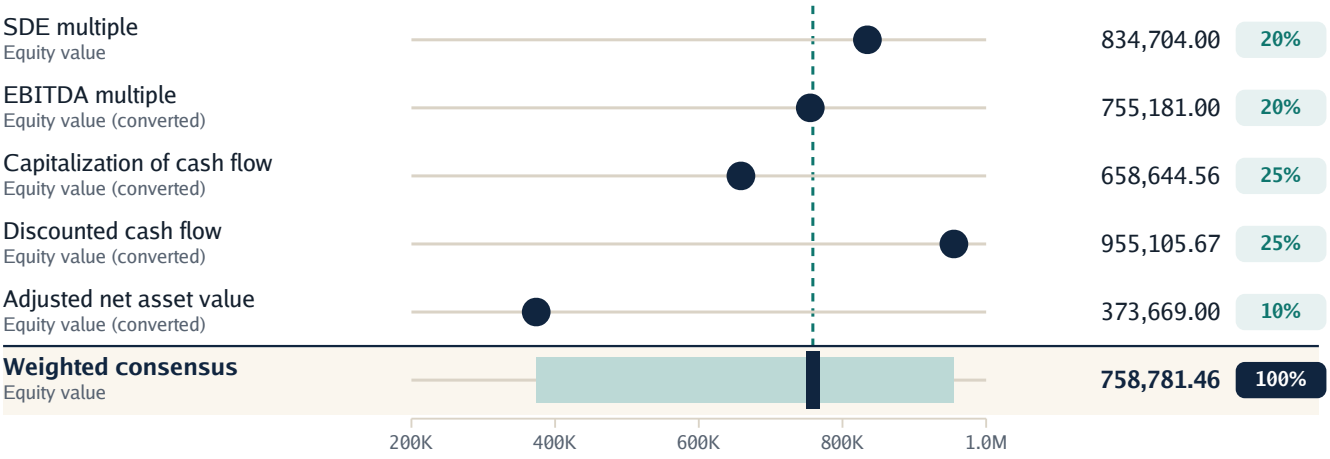
373,669.00 to 955,105.67

Across 5 methods

Range of the method indications; not a confidence interval.

Value by method

Every method is shown as equity value. The dashed line is the indicated value; the band is the range of the method values.



Methods on other value bases are shown as converted to equity value; their own values are in the method tables.

REVENUE	ADJUSTED EBITDA	ADJUSTED SDE	NET INCOME
1,590,000	227,000	345,000	123,552
2025	2025–01–01 to 2025–12–31	2025–01–01 to 2025–12–31	2025

Highlighted findings from the underlying analyses

NOTE

Owner–related amounts drive SDE

The owner compensation SDE adds back (118,000) and the accepted owner–benefit adjustments (0) make up 34.2029% of the adjusted SDE (345,000). SDE is only as portable as the owner's role: the value to a buyer depends on what replacing that role costs.

Quality of earnings · SDE · E04

NOTE	**Discounted cash flow** Customer–confirmed rate basis, not independently verified: you stated that this discount rate is a rate for the whole enterprise, applied to free cash flow to the firm (before debt service). The product holds no enterprise rate of its own and cannot check yours; confirming the basis does not make the rate defensible or a market rate. VALUATION · E01

The analyses selected for this report raised 2 findings in total (0 critical, 0 warning, 2 informational); the 2 most severe are shown. Their wording, severity and thresholds are those of the analysis that raised them; the section pages list the rest.

Key figures

Section	Measure	Value	Period
Financial Performance	Revenue	1,590,000	2025
Financial Performance	EBITDA	217,200	2025
Financial Performance	Net income	123,552	2025
Financial Health	Revenue	1,590,000	2025–01–01 to 2025–12–31
Financial Health	Current assets	362,169	2025–01–01 to 2025–12–31
Quality of Earnings	Adjusted EBITDA	227,000	2025–01–01 to 2025–12–31
Quality of Earnings	Adjusted SDE	345,000	2025–01–01 to 2025–12–31
Working Capital	Operating net working capital	168,500	As of 2025–12–31
Working Capital	Days sales outstanding (DSO)	36.1 days	2025–01–01 to 2025–12–31
Working Capital	Days payable outstanding (DPO)	27.8 days	2025–01–01 to 2025–12–31
Scenario Comparison	Scenarios compared	3	Year ending 2026–12–31 to Year ending 2030–12–31
Valuation Conclusion / Consensus	Consensus (simple mean, equity value)	715,460.85	As of 2025–12–31
Valuation Conclusion / Consensus	Consensus (weighted mean)	758,781.46	As of 2025–12–31
Valuation Conclusion / Consensus	Method range	373,669.00 to 955,105.67	As of 2025–12–31

Each figure is shown for its own period; sections are not restated to a common period. n/a means the source did not produce the figure; it is not zero.

Evidence quality

- The sections cover different periods (2021–01–01 to 2025–12–31; 2025–01–01 to 2025–12–31; Year ending 2026–12–31 to Year ending 2030–12–31; As of 2025–12–31). They are labelled individually and have not been restated to a common period.

About this report

This Business Valuation & Advisory Report was prepared for Lakeshore Mechanical (FICTIONAL DEMO) (engagement: FY2025 valuation engagement) as of 2026–11–19. It presents 8 analytical sections built from 8 explicitly selected evidence sources, each re–read and digest–verified when the report was prepared. Every figure is taken from the analysis that owns it; this report performs no calculation of its own and chooses no evidence on its own.

2. Scope, Evidence & Limitations

Scope

This report assembles results that other analyses in this product produced and saved. It reproduces their figures and findings for a client audience. The evidence behind every section was named explicitly by the person who prepared the report, and each source is listed, with its digest and versions, in the Evidence / Provenance Index.

Sections

Section	Status	Period	Evidence
Financial Performance	Available	2021-01-01 to 2025-12-31	E02
Financial Health	Available	2025-01-01 to 2025-12-31	E03
Quality of Earnings	Available	2025-01-01 to 2025-12-31	E04
Working Capital	Available	2025-01-01 to 2025-12-31	E05
Scenario Comparison	Available	Year ending 2026-12-31 to Year ending 2030-12-31	E06, E07, E08
Valuation Methodologies	Available	As of 2025-12-31	E01
Valuation Conclusion / Consensus	Available	As of 2025-12-31	E01
Sensitivity	Available	As of 2025-12-31	E01
Cash Flow & 13-Week Outlook	Not selected	n/a	n/a
Payroll & Labor	Not selected	n/a	n/a
Inventory	Not selected	n/a	n/a
Vendor Spend / Supplier Concentration	Not selected	n/a	n/a
Accounting Close / Evidence Quality	Not selected	n/a	n/a
Advisory Insights & Action Plan	Not selected	n/a	n/a
Tax Return Evidence	Not selected	n/a	n/a

Limitations

- This report restates results that other analyses produced and saved. It does not recalculate, re-estimate or re-weight them. The PDF rounds figures for display only; the Excel workbook carries the exact values.
- A figure marked n/a was not available from its source. It is not zero, and no substitute figure has been used.
- Each section uses the exact revision of its evidence that was selected. No section silently uses newer data, and an older revision is never replaced by a newer one.
- Sections may cover different periods and are labelled individually. They are not restated to a common period, and nothing is rescaled between unit scales.
- The source figures come from documents and exports supplied for this engagement, as classified and reviewed in the product. This report is not an audit, a review or any other assurance engagement.
- Valuation results are estimates calculated under the stated assumptions, on the stated value basis. Results on different value bases are never averaged directly. The limits saved with the valuation are reproduced once in the Appendices.

3. Business / Engagement Overview

Item	Detail
Client	Lakeshore Mechanical (FICTIONAL DEMO)
Engagement	FY2025 valuation engagement
Report	Business Valuation & Advisory Report
Report date	2026–11–19
Engagement as–of date	2025–12–31
Analytical sections	8 included, 8 selected in total

4. Financial Performance

Period: 2021–01–01 to 2025–12–31 | Evidence: E02

Income Statement (annual periods)

Amounts in whole units

Measure	2021	2022	2023	2024	2025
Revenue	1,205,000	1,296,000	1,370,000	1,485,000	1,590,000
Cost of sales	691,000	731,800	786,600	843,600	902,300
Gross profit	**514,000**	**564,200**	**583,400**	**641,400**	**687,700**
Operating expenses	362,800	412,700	417,400	439,600	470,500
Depreciation	27,000	31,000	34,500	37,500	40,500
Amortization	2,500	2,500	2,500	2,500	2,500
Depreciation and amortization	29,500	33,500	37,000	40,000	43,000
Operating income	**121,700**	**118,000**	**129,000**	**161,800**	**174,200**
EBIT	121,700	118,000	129,000	161,800	174,200
EBITDA	**151,200**	**151,500**	**166,000**	**201,800**	**217,200**
Net income	**80,294**	**77,649**	**88,660**	**114,614**	**123,552**
Gross margin	42.7%	43.5%	42.6%	43.2%	43.3%
Operating margin	10.1%	9.1%	9.4%	10.9%	11.0%
EBITDA margin	12.5%	11.7%	12.1%	13.6%	13.7%
Net profit margin	6.7%	6.0%	6.5%	7.7%	7.8%

n/a: the analysis could not produce the figure (for example a required input is not reported); it is not zero.

Balance Sheet (as_of periods)

Amounts in whole units

Measure	2021–12–31	2022–12–31	2023–12–31	2024–12–31	2025–12–31
Current assets	281,694	304,843	289,003	341,617	362,169
Non–current assets	132,500	195,000	199,000	231,000	232,000
Total assets	**414,194**	**499,843**	**488,003**	**572,617**	**594,169**
Current liabilities	236,500	237,500	226,000	247,000	268,000
Non–current liabilities	63,000	100,000	66,000	80,000	42,000
Total liabilities	**299,500**	**337,500**	**292,000**	**327,000**	**310,000**
Total equity	**114,694**	**162,343**	**196,003**	**245,617**	**284,169**
Working capital	45,194	67,343	63,003	94,617	94,169
Current ratio	1.19x	1.28x	1.28x	1.38x	1.35x

n/a: the analysis could not produce the figure (for example a required input is not reported); it is not zero.

Cash flow statement (annual periods)

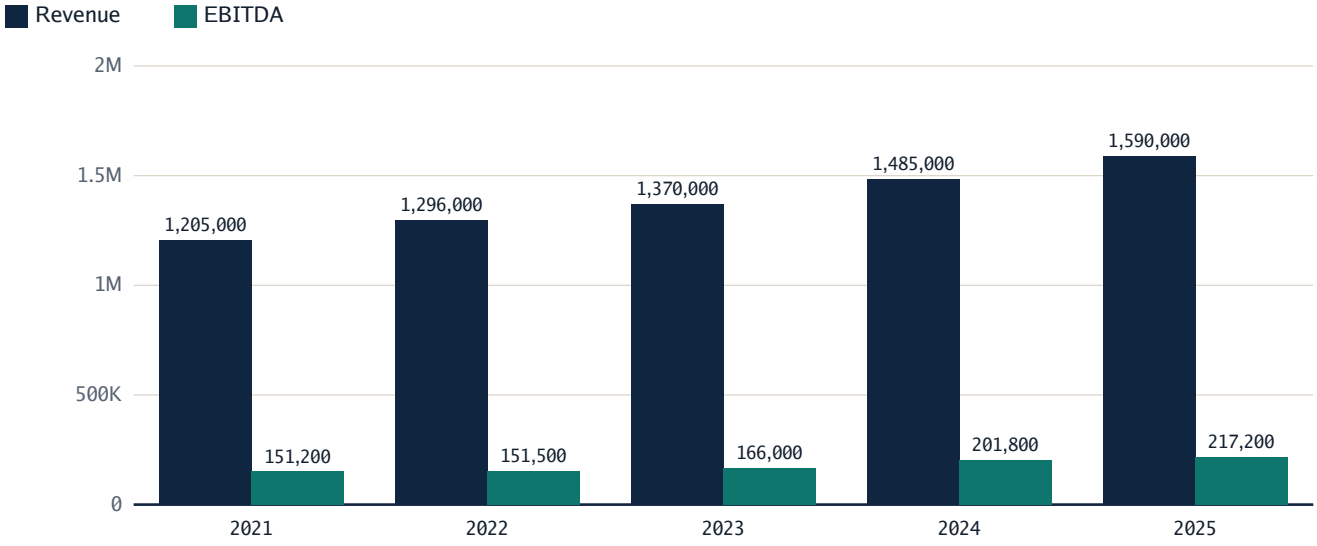
Amounts in whole units

Measure	2021	2022	2023	2024	2025
Operating cash flow (CFO)	110,194	111,849	121,760	163,414	167,452
Investing cash flow (CFI)	(38,000)	(96,000)	(41,000)	(72,000)	(44,000)
Financing cash flow (CFF)	(38,000)	(14,000)	(113,000)	(49,000)	(121,000)
Net change in cash	**34,194**	**1,849**	**(32,240)**	**42,414**	**2,452**
Beginning cash	74,000	108,194	110,043	77,803	120,217
Ending cash	108,194	110,043	77,803	120,217	122,669
Capital expenditures (spend)	38,000	96,000	41,000	72,000	44,000
Free cash flow	72,194	15,849	80,760	91,414	123,452
Operating cash conversion (CFO / EBITDA)	0.73x	0.74x	0.73x	0.81x	0.77x
Free cash flow conversion (FCF / EBITDA)	0.48x	0.10x	0.49x	0.45x	0.57x
Capex coverage (CFO / capex)	2.90x	1.17x	2.97x	2.27x	3.81x

Not shown because no account was reported in any period: Effect of exchange rates on cash.
n/a: the analysis could not produce the figure (for example a required input is not reported); it is not zero.

Revenue and EBITDA

The value axis starts at zero; a period with no value is left blank, not drawn as zero.



A period without a reported figure is left blank, not drawn as zero. EBITDA needs a separately reported D&A line.

5. Financial Health

Period: 2025-01-01 to 2025-12-31 | Evidence: E03

Window analysed: 2025-01-01 to 2025-12-31 (12 months, stated basis).

Profitability

Amounts in whole units

Measure	Value	Note
Revenue	1,590,000	
Revenue growth	7.1%	
Gross profit	687,700	
Gross margin	43.3%	
Operating income	174,200	
Operating margin	11.0%	
EBIT	174,200	
EBITDA	217,200	
EBITDA margin	13.7%	
EBITDA growth	7.6%	
Net income	123,552	
Net profit margin	7.8%	
Net income growth	7.8%	

Liquidity

Amounts in whole units

Measure	Value	Note
Current assets	362,169	
Current liabilities	268,000	
Current ratio	1.35x	
Quick ratio	1.07x	
Cash	122,669	
Cash as % of current assets	33.9%	

Working capital

Amounts in whole units

Measure	Value	Note
Working capital	94,169	
Working capital change	(448)	
Working capital as % of revenue	5.9%	

Leverage

Amounts in whole units

Measure	Value	Note
Short–term debt	38,000	
Long–term debt	42,000	
Total conventional financial debt	80,000	
Debt change	(36,000)	
Debt change %	–31.0%	
Lease liabilities (long–term, shown separately)	*n/a*	The balance sheet reports no bs long term lease line. It is not treated as zero.
Net debt	(42,669)	
Debt / EBITDA	0.37x	
Net debt / EBITDA	–0.20x	
Interest expense	7,800	
Interest coverage (EBIT / interest expense)	22.33x	
Total liabilities / total assets	0.52x	
Financial debt / equity	0.28x	

Cash quality

Amounts in whole units

Measure	Value	Note
Operating cash flow (CFO)	167,452	
Operating cash flow growth	2.5%	
Capital expenditures (spend)	44,000	
Capital expenditure as % of revenue	2.8%	
Free cash flow	123,452	
Operating cash conversion (CFO / EBITDA)	0.77x	
Free cash flow conversion (FCF / EBITDA)	0.57x	
Operating cash conversion (CFO / net income)	1.36x	

Key performance indicators

Amounts in whole units

Measure	Value	Note
Operating expenses as % of revenue	29.6%	
Return on assets (average total assets)	21.2%	
Return on equity (average total equity)	46.6%	
Inventory turnover (cost of sales / average inventory)	14.91x	
Receivables days (ending balance, 365–day approximation)	37.4 days	
Inventory days (ending balance, 365–day approximation)	25.7 days	
Payables days (ending balance, 365–day approximation)	28.7 days	
Cash cycle days (ending balance, 365–day approximation)	34.4 days	

Cash flow reconciliation

Reconciled: Every cash–flow period that fills the window reconciles by its own frozen identities.

6. Quality of Earnings

Period: 2025-01-01 to 2025-12-31 | Evidence: E04

Quality of earnings for 2025-01-01 to 2025-12-31. The adjusted figures start from the reported baseline of this window and apply only the adjustments a person reviewed and ACCEPTED (review revision 2, 1 accepted, 0 proposed, 0 rejected, 0 superseded). Proposed and rejected adjustments change nothing.

Reported baseline

Amounts in whole units

Measure	Value	Note
Revenue	1,590,000	
EBITDA	217,200	
SDE	335,200	
Owner compensation	118,000	

Normalization bridge

Amounts in whole units

Measure	EBITDA	SDE
Reported baseline	217,200	335,200
Upward adjustments	9,800	9,800
Downward adjustments	0	0
Net adjustment	**9,800**	**9,800**
Adjusted (normalized)	**227,000**	**345,000**
Net adjustment, % of baseline	4.5%	2.9%
Adjusted margin	14.3%	21.7%

Owner compensation add-backs apply to SDE only. n/a: the figure is not available, for example when EBITDA cannot be established without a reported D&A line, or when SDE cannot be established because the statement reports no owner-compensation line (an unknown owner compensation is never read as zero).

Accepted adjustments

Amounts in whole units

Category	Direction	Description	Period	Amount	EBITDA effect	SDE effect
One Time Expense	Increase	Uninsured repair of storm damage to the shop roof and one service van in July 2025, recorded in Storm Damage Repairs. A single event; the only similar one-off cost in 2021-2025 is the 2022 relocation.	Whole window	9,800	9,800	9,800

Findings

NOTE	**Owner–related amounts drive SDE** The owner compensation SDE adds back (118,000) and the accepted owner–benefit adjustments (0) make up 34.2029% of the adjusted SDE (345,000). SDE is only as portable as the owner's role: the value to a buyer depends on what replacing that role costs. Quality of earnings · SDE · E04

7. Working Capital

Period: 2025–01–01 to 2025–12–31 | Evidence: E05

Working capital for 2025–01–01 to 2025–12–31. Days measures divide an ending or average balance by the window's flows over its actual number of days; operating net working capital is operating current assets less operating current liabilities, exactly as the analysis defines them.

Working capital measures

Amounts in whole units

Measure	Value	Note
Days sales outstanding (DSO)	36.1 days	
Days payable outstanding (DPO)	27.8 days	
Inventory days	24.5 days	
Cash conversion cycle (CCC)	32.8 days	
Operating NWC as % of revenue	10.6%	
Operating NWC in days of revenue	38.7 days	
Operating NWC change over the window	13,600	

Operating net working capital at 2025–12–31

Amounts in whole units

Measure	Value	Note
Operating current assets	239,500	Accounts receivable + inventory + prepaid expenses
Operating current liabilities	71,000	Accounts payable
Operating net working capital	**168,500**	**Operating current assets less operating current liabilities**

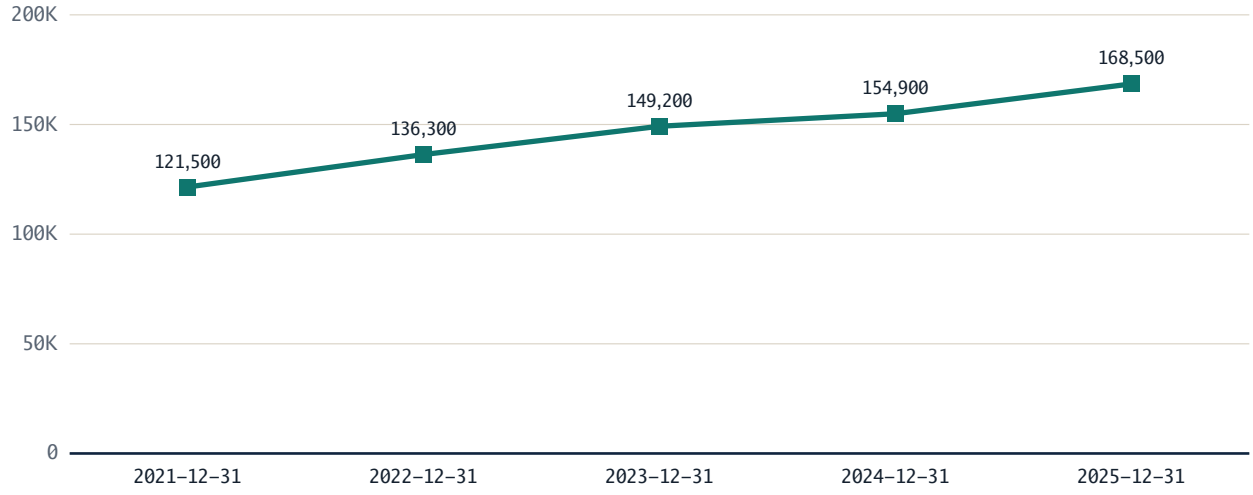
Change from the prior window

Prior window: 2024–01–01 to 2024–12–31

Measure	Current	Prior	Change
DSO	36.1 days	36.2 days	−0.1 days
DPO	27.8 days	27.9 days	−0.1 days
Inventory days	24.5 days	25.1 days	−0.6 days
Cash conversion cycle	32.8 days	33.4 days	−0.6 days
Operating NWC as % of revenue	10.6%	10.4%	0.2%
Operating NWC	168,500	154,900	13,600

Operating net working capital over the window

The value axis starts at zero; a period with no value is left blank, not drawn as zero.



Month–ends without a usable balance sheet are left blank.

Aging compared with the balance sheet

Amounts in whole units

Ledger	As of	Result	Aging	Balance sheet	Difference
Ar	2025–12–31	Not Comparable	*n/a*	163,000	*n/a*
Ap	2025–12–31	Not Comparable	*n/a*	71,000	*n/a*

Limitations of this analysis

- The taxonomy has no code for accrued operating liabilities, so they are not part of operating NWC. They sit inside 'Other current liabilities', which is excluded.
- 'Other current assets' and 'Other current liabilities' are catch–all accounts that can hold tax, owner, financing and other non–operating balances. They are excluded and shown, never guessed.
- Income tax payable or receivable and owner or shareholder balances have no code of their own, so they cannot be separated from operating balances. Where they sit in an included account, they are included.
- Prepaid expenses and inventory are included only when the balance sheet reports them. Two NWC figures are compared, averaged or pegged together only when they include the same accounts.
- No seasonal adjustment is made. A history average or median is as representative as the seasonal positions of its points; they are shown, not corrected.

8. Scenario Comparison

Period: Year ending 2026-12-31 to Year ending 2030-12-31 | Evidence: E06, E07, E08

This section sets saved forecast scenarios side by side. Each figure is read from the saved revision exactly as it was saved: nothing was recalculated, and no current setting, tax history or evidence was applied to an earlier scenario. A difference is the compared scenario minus the base scenario; the percentage is the difference as a share of the base figure. A figure a scenario did not produce is shown as n/a with the reason, never as zero. A scenario is a statement of assumptions, not a prediction or a promise of a result.

Scenarios compared

Each row is one saved revision, unchanged since it was saved

Role	Scenario	Revision	Saved on	Historical base	Periods projected	Formula version
Base	Base case	1	2026-11-19	annual period ending 2025-12-31, series revision 1	5	6.0.0
Compared	Upside case	1	2026-11-19	annual period ending 2025-12-31, series revision 1	5	6.0.0
Compared	Downside case	1	2026-11-19	annual period ending 2025-12-31, series revision 1	5	6.0.0

Key assumptions as saved

Rates are shown as percentages; "Not assumed" means the scenario made no assumption, and its dependent figures are then n/a

Scenario	Period	Revenue	Cost of sales	Operating expenses	Tax
Base: Base case (Base case, revision 1)	Year ending 2026-12-31	Growth 6.0%	Gross margin 43.0%	Growth 5.0% (1 account override(s))	28.5% of pretax income
Base: Base case (Base case, revision 1)	Year ending 2027-12-31	Growth 5.5%	Gross margin 43.0%	Growth 4.5%	28.5% of pretax income
Base: Base case (Base case, revision 1)	Year ending 2028-12-31	Growth 5.0%	Gross margin 43.0%	Growth 4.5%	28.5% of pretax income
Base: Base case (Base case, revision 1)	Year ending 2029-12-31	Growth 4.5%	Gross margin 43.0%	Growth 4.0%	28.5% of pretax income
Base: Base case (Base case, revision 1)	Year ending 2030-12-31	Growth 4.0%	Gross margin 43.0%	Growth 4.0%	28.5% of pretax income
Upside case (Upside case, revision 1)	Year ending 2026-12-31	Growth 7.5%	Gross margin 44.0%	Growth 5.5% (1 account override(s))	28.5% of pretax income
Upside case (Upside case, revision 1)	Year ending 2027-12-31	Growth 7.0%	Gross margin 44.0%	Growth 5.0%	28.5% of pretax income
Upside case (Upside case, revision 1)	Year ending 2028-12-31	Growth 6.5%	Gross margin 44.0%	Growth 5.0%	28.5% of pretax income
Upside case (Upside case, revision 1)	Year ending 2029-12-31	Growth 6.0%	Gross margin 44.0%	Growth 4.5%	28.5% of pretax income
Upside case (Upside case, revision 1)	Year ending 2030-12-31	Growth 5.5%	Gross margin 44.0%	Growth 4.5%	28.5% of pretax income

Scenario	Period	Revenue	Cost of sales	Operating expenses	Tax
Downside case (Downside case, revision 1)	Year ending 2026-12-31	Growth 3.0%	Gross margin 42.0%	Growth 4.5% (1 account override(s))	28.5% of pretax income
Downside case (Downside case, revision 1)	Year ending 2027-12-31	Growth 2.5%	Gross margin 42.0%	Growth 4.0%	28.5% of pretax income
Downside case (Downside case, revision 1)	Year ending 2028-12-31	Growth 2.5%	Gross margin 42.0%	Growth 4.0%	28.5% of pretax income
Downside case (Downside case, revision 1)	Year ending 2029-12-31	Growth 2.0%	Gross margin 42.0%	Growth 3.5%	28.5% of pretax income
Downside case (Downside case, revision 1)	Year ending 2030-12-31	Growth 2.0%	Gross margin 42.0%	Growth 3.5%	28.5% of pretax income

Upside case (Upside case, revision 1) against Base case (Base case, revision 1)

Difference = compared scenario minus base scenario; percentage = difference as a share of the base figure

Figure	Period	Base	Compared	Difference	Difference %
Revenue	Year ending 2026-12-31	1,685,400	1,709,250	23,850	1.4%
Revenue	Year ending 2027-12-31	1,778,097	1,828,898	50,801	2.9%
Revenue	Year ending 2028-12-31	1,867,002	1,947,776	80,774	4.3%
Revenue	Year ending 2029-12-31	1,951,017	2,064,642	113,625	5.8%
Revenue	Year ending 2030-12-31	2,029,058	2,178,198	149,140	7.4%
Gross profit	Year ending 2026-12-31	724,722	752,070	27,348	3.8%
Gross profit	Year ending 2027-12-31	764,582	804,715	40,133	5.2%
Gross profit	Year ending 2028-12-31	802,811	857,021	54,211	6.8%
Gross profit	Year ending 2029-12-31	838,937	908,443	69,505	8.3%
Gross profit	Year ending 2030-12-31	872,495	958,407	85,912	9.8%
Operating income	Year ending 2026-12-31	195,987	221,032	25,045	12.8%
Operating income	Year ending 2027-12-31	212,579	247,874	35,296	16.6%
Operating income	Year ending 2028-12-31	226,560	273,164	46,604	20.6%
Operating income	Year ending 2029-12-31	240,057	298,972	58,915	24.5%
Operating income	Year ending 2030-12-31	250,139	322,237	72,098	28.8%
EBIT	Year ending 2026-12-31	195,987	221,032	25,045	12.8%
EBIT	Year ending 2027-12-31	212,579	247,874	35,296	16.6%
EBIT	Year ending 2028-12-31	226,560	273,164	46,604	20.6%
EBIT	Year ending 2029-12-31	240,057	298,972	58,915	24.5%
EBIT	Year ending 2030-12-31	250,139	322,237	72,098	28.8%
EBITDA	Year ending 2026-12-31	240,987	266,032	25,045	10.4%
EBITDA	Year ending 2027-12-31	259,079	294,374	35,296	13.6%
EBITDA	Year ending 2028-12-31	274,560	321,164	46,604	17.0%
EBITDA	Year ending 2029-12-31	289,557	348,472	58,915	20.3%

Figure	Period	Base	Compared	Difference	Difference %
EBITDA	Year ending 2030-12-31	301,139	373,237	72,098	23.9%
Net income	Year ending 2026-12-31	140,131	158,038	17,907	12.8%
Net income	Year ending 2027-12-31	151,994	177,230	25,237	16.6%
Net income	Year ending 2028-12-31	161,990	195,312	33,322	20.6%
Net income	Year ending 2029-12-31	171,640	213,765	42,124	24.5%
Net income	Year ending 2030-12-31	178,849	230,400	51,550	28.8%
Operating cash flow	Year ending 2026-12-31	184,518	202,282	17,764	9.6%
Operating cash flow	Year ending 2027-12-31	197,938	223,012	25,075	12.7%
Operating cash flow	Year ending 2028-12-31	209,457	242,599	33,142	15.8%
Operating cash flow	Year ending 2029-12-31	220,636	262,564	41,927	19.0%
Operating cash flow	Year ending 2030-12-31	229,381	280,718	51,337	22.4%
Free cash flow	Year ending 2026-12-31	128,518	146,282	17,764	13.8%
Free cash flow	Year ending 2027-12-31	139,938	165,012	25,075	17.9%
Free cash flow	Year ending 2028-12-31	149,457	182,599	33,142	22.2%
Free cash flow	Year ending 2029-12-31	158,636	200,564	41,927	26.4%
Free cash flow	Year ending 2030-12-31	165,381	216,718	51,337	31.0%

n/a: the figure was not produced for that scenario and period (the saved reason is kept), or a difference cannot be formed (a side is missing, or the base is zero). A missing figure is never a zero.

Not available in either scenario: Upside case (Upside case, revision 1) against Base case (Base case, revision 1)

- Debt service coverage (Missing component)

Downside case (Downside case, revision 1) against Base case (Base case, revision 1)

Difference = compared scenario minus base scenario; percentage = difference as a share of the base figure

Figure	Period	Base	Compared	Difference	Difference %
Revenue	Year ending 2026-12-31	1,685,400	1,637,700	(47,700)	-2.8%
Revenue	Year ending 2027-12-31	1,778,097	1,678,643	(99,455)	-5.6%
Revenue	Year ending 2028-12-31	1,867,002	1,720,609	(146,393)	-7.8%
Revenue	Year ending 2029-12-31	1,951,017	1,755,021	(195,996)	-10.0%
Revenue	Year ending 2030-12-31	2,029,058	1,790,121	(238,936)	-11.8%
Gross profit	Year ending 2026-12-31	724,722	687,834	(36,888)	-5.1%
Gross profit	Year ending 2027-12-31	764,582	705,030	(59,552)	-7.8%
Gross profit	Year ending 2028-12-31	802,811	722,656	(80,155)	-10.0%
Gross profit	Year ending 2029-12-31	838,937	737,109	(101,829)	-12.1%
Gross profit	Year ending 2030-12-31	872,495	751,851	(120,644)	-13.8%
Operating income	Year ending 2026-12-31	195,987	161,403	(34,585)	-17.6%
Operating income	Year ending 2027-12-31	212,579	157,841	(54,738)	-25.7%
Operating income	Year ending 2028-12-31	226,560	153,939	(72,621)	-32.1%
Operating income	Year ending 2029-12-31	240,057	148,667	(91,389)	-38.1%

Figure	Period	Base	Compared	Difference	Difference %
Operating income	Year ending 2030-12-31	250,139	143,047	(107,092)	-42.8%
EBIT	Year ending 2026-12-31	195,987	161,403	(34,585)	-17.6%
EBIT	Year ending 2027-12-31	212,579	157,841	(54,738)	-25.7%
EBIT	Year ending 2028-12-31	226,560	153,939	(72,621)	-32.1%
EBIT	Year ending 2029-12-31	240,057	148,667	(91,389)	-38.1%
EBIT	Year ending 2030-12-31	250,139	143,047	(107,092)	-42.8%
EBITDA	Year ending 2026-12-31	240,987	206,403	(34,585)	-14.4%
EBITDA	Year ending 2027-12-31	259,079	204,341	(54,738)	-21.1%
EBITDA	Year ending 2028-12-31	274,560	201,939	(72,621)	-26.4%
EBITDA	Year ending 2029-12-31	289,557	198,167	(91,389)	-31.6%
EBITDA	Year ending 2030-12-31	301,139	194,047	(107,092)	-35.6%
Net income	Year ending 2026-12-31	140,131	115,403	(24,728)	-17.6%
Net income	Year ending 2027-12-31	151,994	112,856	(39,137)	-25.7%
Net income	Year ending 2028-12-31	161,990	110,067	(51,924)	-32.1%
Net income	Year ending 2029-12-31	171,640	106,297	(65,343)	-38.1%
Net income	Year ending 2030-12-31	178,849	102,278	(76,571)	-42.8%
Operating cash flow	Year ending 2026-12-31	184,518	160,077	(24,442)	-13.2%
Operating cash flow	Year ending 2027-12-31	197,938	159,111	(38,827)	-19.6%
Operating cash flow	Year ending 2028-12-31	209,457	157,815	(51,642)	-24.7%
Operating cash flow	Year ending 2029-12-31	220,636	155,591	(65,046)	-29.5%
Operating cash flow	Year ending 2030-12-31	229,381	153,068	(76,313)	-33.3%
Free cash flow	Year ending 2026-12-31	128,518	104,077	(24,442)	-19.0%
Free cash flow	Year ending 2027-12-31	139,938	101,111	(38,827)	-27.7%
Free cash flow	Year ending 2028-12-31	149,457	97,815	(51,642)	-34.6%
Free cash flow	Year ending 2029-12-31	158,636	93,591	(65,046)	-41.0%
Free cash flow	Year ending 2030-12-31	165,381	89,068	(76,313)	-46.1%

n/a: the figure was not produced for that scenario and period (the saved reason is kept), or a difference cannot be formed (a side is missing, or the base is zero). A missing figure is never a zero.

Not available in either scenario: Downside case (Downside case, revision 1) against Base case (Base case, revision 1)

- Debt service coverage (Missing component)

What this comparison cannot say

- The scenarios are statements of assumptions saved by the preparer; they are not verified against any outside evidence and do not predict an outcome.
- This section states no valuation for any scenario. A value appears only in the Valuation sections, from the delivered valuation run the report names.
- A difference between scenarios that started from different history or tax treatment includes the effect of that change, as stated in the warnings.

9. Valuation Methodologies

Period: As of 2025–12–31 | Evidence: E01

Saved valuation as of 2025–12–31. Each method's value is stated on its own value basis (enterprise, equity or asset); values on different bases are never averaged directly.

Numeric basis

Every figure of this valuation was computed in exact decimal arithmetic (numeric contract 2) and rounded once, to 2 decimal place(s), half to even (rounding policy 1.0.0). Nothing was rounded before the last step, and a total is rounded from the exact total, not from the rounded cells.

Net assets

The adjusted net asset value is adjusted net assets from the provided book values and assumptions: total adjusted assets 683,669.00 less total adjusted liabilities 310,000.00 = total equity 373,669.00, less the noncontrolling interest 0.00 = 373,669.00. It is not an independent market appraisal of the assets or the liabilities: the balance sheet is used at its reported book values, with only the fair values entered for this valuation replacing them (4 line(s) were replaced). The standard of value (Fair market value) and the premise (Going concern) recorded with this valuation state its terms; this method does not re–measure the balance sheet to them.

Method results

Amounts in whole units

Method	Value basis	Value	Outcome	In consensus
SDE multiple	Equity value	834,704.00	Success	Yes
EBITDA multiple	Enterprise value	787,512.00	Success	Yes
Capitalization of maintainable cash flow	Enterprise value	690,975.56	Success	Yes
Discounted cash flow	Enterprise value	987,436.67	Success	Yes
Adjusted net asset value	Asset value	373,669.00	Success	Yes

Adjusted net asset value: in the conclusion by the explicit weight given to it; its 4 fair–value override(s) are illustrative assumptions supplied by a person, not independently market–supported.

Method notes

NOTE	**Discounted cash flow** Customer–confirmed rate basis, not independently verified: you stated that this discount rate is a rate for the whole enterprise, applied to free cash flow to the firm (before debt service). The product holds no enterprise rate of its own and cannot check yours; confirming the basis does not make the rate defensible or a market rate. VALUATION · E01

Earnings basis

The maintainable earnings the earnings–based methods multiply or capitalize.

Measure	Value	Note
Earnings strategy	Weighted Average	Year ended 2023–12–31, Year ended 2024–12–31, Year ended 2025–12–31
Maintainable EBITDA	207,240.00	
Maintainable SDE	321,040.00	

Valuation assumptions

The assumptions this valuation was made under, as saved with it; a later change to a firm, client or system default does not alter them. Source is where each came from.

Assumption	Applied	Source	Note
Standard of value	Fair market value	System default	Recorded and stated in the report; it does not change the calculation.
Premise of value	Going concern	System default	Recorded and stated in the report; it does not change the calculation.
Interest valued	100% · controlling · equity	System default	Ownership percentage and interest basis are applied to the conclusion; control status is recorded and does not change the calculation.
Purpose	General business valuation	System default	Recorded and stated in the report; it does not change the calculation.
Financial data	All available years (2021 to 2025)	Valuation override	
Valuation date	2025–12–31	Derived	The end of the latest complete period of the selected financial data.
Valuation mode	Advanced	Valuation override	
Client industry	NAICS 238220 · Plumbing, Heating, and Air–Conditioning Contractors	Client override	The client's primary industry (NAICS 2022). It selects the industry defaults below; it is a classification, not a valuation value.
Methods	SDE multiple, EBITDA multiple, Capitalization of earnings, Discounted cash flow, Adjusted net asset value	Valuation override	
Maintainable earnings	Weighted fiscal years: 2025 50% · 2024 30% · 2023 20%	Derived	
SDE multiple	2.6x	Valuation override	
EBITDA multiple	3.8x	Valuation override	
Capitalization rate	14.661%	Derived	The discount rate less the terminal growth rate.
Discount rate	17.161%	Valuation override	Customer–confirmed rate basis, not independently verified: you stated this is a rate for the whole enterprise (the full disclosure is in the discounted cash flow method note).
Terminal growth rate	2.5%	Valuation override	
Discount for lack of control (DLOC)	0.0%	System default	
Discount for lack of marketability (DLOM)	0.0%	System default	

Assumption	Applied	Source	Note
Consensus basis	equity	Valuation override	
Method weights	Weights entered for this valuation: SDE multiple 20% · EBITDA multiple 20% · Capitalization of earnings 25% · Discounted cash flow 25% · Adjusted net asset value 10%	Valuation override	
Enterprise–to–equity bridge	Applied: cash added, debt deducted	Valuation override	Enterprise–basis values are converted to equity as value plus cash less debt, using the figures below.
Cash added back	47669	Valuation override	
Short–term debt deducted	38000	Valuation override	
Long–term debt deducted	42000	Valuation override	
Other debt–like items deducted	0	Valuation override	
Noncontrolling interest deducted	None reported	Derived	The balance sheet as of Balance sheet 2025–12–31 reports no noncontrolling interest, so nothing was deducted for non–parent owners.

Noncontrolling interest

The balance sheet as of Balance sheet 2025–12–31 reports no noncontrolling interest, so nothing was deducted for non–parent owners.

Quality of earnings

No reviewed Quality of Earnings set was applied. The earnings–based methods started from the statements' earnings and the adjustment a person entered for this valuation, which the valuation included: an increase of 9,800.00 for Year ended 2025–12–31 (one–time expense: 2025 uninsured storm–damage repair (shop roof and one van), a single event; not expected to recur). In the period figures: Year ended 2025–12–31 EBITDA 217,200.00 to 227,000.00, SDE 335,200.00 to 345,000.00. It is the person's own adjustment, not independently verified and not a reviewed Quality of Earnings conclusion; no other adjustment was applied.

Discounted cash flow source

The discounted cash flow method discounted the saved forecast revision 1 of scenario "Base case" (forecast contract 1.0.0, formula 6.0.0, horizon 5 periods).

Analyst note

Written by the preparer of this report; not produced by an analysis.

> Enterprise–to–equity cash bridge. These are assumptions supplied by the person preparing this valuation: invented, illustrative figures for a fictional company, not independently verified market or operational facts.
> Total reported cash at 2025–12–31: 122,669 (balance sheet).
> Required operating cash: 75,000, an illustrative judgment of about 20 days of 2025 cash operating costs (19.9 days of the 1,372,800 of 2025 cash operating costs). Supplied by the person; not verified.
> Excess cash added in the enterprise–to–equity bridge: 47,669 (122,669 less 75,000).
> Interest–bearing debt deducted: 80,000 (38,000 short–term, including the current portion of long–term debt, plus 42,000 long–term), from the balance sheet.
> Net enterprise–to–equity adjustment: –32,331 (+47,669 excess cash, –80,000 debt).
> The split between operating cash and excess cash is the preparer's assumption and has not been independently verified. The bridge is applied once, to the three enterprise–basis methods (EBITDA multiple, capitalization of earnings, discounted cash flow). The SDE multiple is an equity–basis multiple, and the adjusted net asset value is taken as equity by the asset–to–equity identity, whose assets already include the cash and whose liabilities already include the debt: neither receives a second bridge.

10. Valuation Conclusion / Consensus

Period: As of 2025–12–31 | Evidence: E01

Basis of the conclusion

An indicative estimate. It rests on SDE multiple: its assumptions were supplied by a person (a user–assumption scenario, not validated against market data); EBITDA multiple: its assumptions were supplied by a person (a user–assumption scenario, not validated against market data); Capitalization of earnings: its assumptions were supplied by a person (a user–assumption scenario, not validated against market data); Discounted cash flow: its assumptions were supplied by a person (a user–assumption scenario, not validated against market data); Adjusted net asset value: included by your explicit weight although its assumptions are not market–supported.

Kind of conclusion

Conditional scenario: the value follows from assumptions a person stated and confirmed, shown below with the basis they gave. It is arithmetic on those assumptions, not a market–validated value. Why not higher: SDE multiple: stated by a person (sde multiple), not market evidence; EBITDA multiple: stated by a person (ebitda multiple), not market evidence; Capitalization of earnings: stated by a person (equity market premium, small–company premium, company–specific premium, debt weight (target capital structure), pre–tax cost of debt, tax rate on interest, long–term growth (nominal), operating tax rate on operating income, normalized capital expenditure, normalized change in non–cash working capital), not market evidence; Discounted cash flow: stated by a person (discount rate, terminal growth rate), not market evidence; Adjusted net asset value: included by your explicit weight although its assumptions are not market–supported.

Valuation engagement

What was valued, as of when and on what basis, as the valuation understood it.

Item	Value
Valuation date	2025–12–31
Standard of value	Fair market value
Premise of value	Going concern
Purpose	General business valuation
Interest valued	100% of the equity, controlling
Industry	NAICS 238220 Plumbing, Heating, and Air–Conditioning Contractors
Market of the government yield and the equity premium	United States (set by the client's default)
Latest statements end	2025–12–31, 0 days before the valuation date
Periods in the earnings basis	3

Part played by each method

Which approach each method belongs to and whether it stands behind the conclusion, is compared with it, or is a reference figure.

Method	Approach	Part	Why
SDE multiple	Market	Stands behind the conclusion	
EBITDA multiple	Market	Stands behind the conclusion	
Capitalization of maintainable cash flow	Income	Stands behind the conclusion	
Discounted cash flow	Income	Stands behind the conclusion	
Adjusted net asset value	Asset	Stands behind the conclusion	You gave this method an explicit weight, so it is in the consensus although its own assumptions are not market–supported.

How the indications were reconciled

When the methods behind a conclusion come from more than one approach, the income approach stands behind it, then the market approach, then the asset approach; the others are cross–checks that are shown and compared, never averaged in. Methods of one approach are combined by the weights in force. Explicit weights from the person replace this rule.

Risk–free rate

U.S. Treasury 10–year constant–maturity par yield (U.S. Department of the Treasury, observation of 2025–12–31, 0 days before the valuation date; nominal, par yield, bond–equivalent, end of day; register riskfree–register/1 retrieved 2026–10–31). Source: U.S. Department of the Treasury, Daily Treasury Par Yield Curve Rates.

Required–return worksheet

Each line states who stands behind the number and what it is a rate of. Only the risk–free yield comes from published data; every other input is the person's, with the basis they gave.

Line	Rate	Basis	Owner	Source	Date	Limitation
Risk–free rate (government yield)	4.180%	Risk Free	Published data	U.S. Department of the Treasury, U.S. Treasury 10–year constant–maturity par yield (0 days before the valuation date)	2025–12–31	
Equity market premium	5.500%	Equity	The person's assumption	Illustrative, synthetic demo; not market–validated		Stated by the person. The product holds no equity–market, size or company premium and does not verify the source given.
Small–company premium	5.500%	Equity	The person's assumption	Illustrative, synthetic demo; not market–validated		Stated by the person. The product holds no equity–market, size or company premium and does not verify the source given.
Company–specific premium	4.000%	Equity	The person's assumption	Illustrative, synthetic demo: owner dependence		Stated by the person. The product holds no equity–market, size or company premium and does not verify the source given.

Line	Rate	Basis	Owner	Source	Date	Limitation
Cost of equity = risk–free rate + premiums	19.180%	Equity	Computed			
Debt weight (target capital structure)	15.000%	Debt	The person's assumption	Illustrative, synthetic demo: 15% debt at 8%		A target structure the person states; the product does not estimate market values of debt or equity.
Pre–tax cost of debt	8.000%	Debt	The person's assumption	Illustrative, synthetic demo: 15% debt at 8%		
Tax rate on interest	28.500%	Debt	The person's assumption	the person's		
After–tax cost of debt	5.720%	Debt	Computed			
Weighted average cost of capital (enterprise required return)	17.161%	Enterprise	Computed			The build–up is read as the cost of equity of the stated capital structure; a build–up from the workpaper has its beta relevered to the target structure first. Outside the workpaper the product does not relever or unlever.
Long–term growth (nominal)	2.500%	Growth	The person's assumption	Illustrative, synthetic demo: long–run nominal growth		Stated by the person. It is not derived from the qualitative risk answers or from history.
Capitalization rate = enterprise required return – growth	14.661%	Enterprise	Computed			Applied to NEXT period's free cash flow. Do not subtract growth again from a rate that is already a capitalization rate.

From EBITDA to free cash flow to the firm, and the value

Amounts in whole units

Step	Amount	Working
EBITDA (maintainable, annual)	207,240.00	
– Depreciation and amortization	40,900.00	the add–back inside EBITDA
= EBIT (operating income)	166,340.00	207240 – 40900
– Operating tax on EBIT	47,406.90	EBIT x 0.285
= NOPAT (after–tax operating income)	118,933.10	
+ Depreciation and amortization	40,900.00	
– Capital expenditure	58,000.00	
– Increase in non–cash working capital	3,000.00	

Step	Amount	Working
= Free cash flow to the firm, latest period	98,833.10	NOPAT + D&A – CapEx – increase in working capital
= Free cash flow to the firm, next period (capitalized)	101,303.93	98833.1 x (1 + 0.025)
Enterprise Value = FCFF(next period) / (enterprise required return – growth)	690,975.56	101303.93 / (0.17161 – 0.025) = 101303.93 / 0.14661
+ Excess Cash	47,669.00	
– Total Debt	80,000.00	
– Noncontrolling Interest	0.00	
Equity Value attributable to the parent = Enterprise Value + Excess Cash – Total Debt – Noncontrolling Interest	658,644.56	

How the cash flow, the rate and the value basis were matched

- The cash flow capitalized is free cash flow to the firm: it is before interest and debt flows, so the rate is an ENTERPRISE rate and the value is an ENTERPRISE value; debt, excess cash and any noncontrolling interest are bridged to equity once, afterwards.
- All rates and the growth are NOMINAL, matching a nominal cash flow.
- Benefit stream: free cash flow to the firm = EBIT x (1 – operating tax rate) + depreciation and amortization – capital expenditure – increase in non–cash working capital, built from the maintainable EBITDA and the depreciation and amortization its statements add back. EBITDA is not a cash flow and EBIT, not EBITDA, is taxed.
- Timing: the value is the NEXT period's free cash flow divided by (enterprise required return – growth). Amounts stated for the latest twelve months are grown once at the long–term growth rate; amounts stated as the next twelve months' forecast are used as stated.
- Rate: an ENTERPRISE required return (a weighted average cost of capital, or the return of a debt–free enterprise), nominal, less nominal long–term growth. The risk–free yield is added once, only when the rate is built up here; a complete rate of the person's own is never increased by it.
- Value basis: the capitalized value is an ENTERPRISE value; debt, excess cash and any noncontrolling interest are bridged to equity once, afterwards. A cost of equity is never used to discount this cash flow, and no equity–basis cash flow is mixed with this bridge.

Scenarios on the ranges the person stated

The required return and the growth move by the ranges the person stated, and nothing else changes; each scenario recomputes the next period's cash flow from its own growth. Not a confidence interval.

Scenario	Required return	Growth	Capitalization rate	Enterprise value	Equity value	Driver
High value (lower rate)	15.161%	3.000%	12.161%	837,086.53	804,755.53	Favourable end of the ranges you stated: required return –2 points and growth +0.5 points
Base	17.161%	2.500%	14.661%	690,975.56	658,644.56	The stated assumptions
Low value (higher rate)	19.161%	2.000%	17.161%	587,435.24	555,104.24	Unfavourable end of the ranges you stated: required return +2 points and growth –0.5 points

Numerical drivers of each scenario

What each scenario assumed for the operating inputs and the cash flow they give for the next period.

Scenario	Tax rate	Capital expenditure	Working capital increase	Next–period free cash flow
High value (lower rate)	28.500%	58,000.00	3,000.00	101,798.09
Base	28.500%	58,000.00	3,000.00	101,303.93
Low value (higher rate)	28.500%	58,000.00	3,000.00	100,809.76

Sensitivity of the base enterprise value

Each row moves one assumption of the base scenario by a small step and keeps every other. It shows how fragile the value is to a small error; it is arithmetic, not a probability.

Assumption	Step	Enterprise value	Change from base
Required return	–2 point(s)	800,125.80	+15.8%
Required return	–1 point(s)	741,555.72	+7.3%
Required return	+1 point(s)	646,854.78	–6.4%
Required return	+2 point(s)	608,030.30	–12%
Long–term growth	–1 point(s)	640,544.00	–7.3%
Long–term growth	+1 point(s)	748,790.41	+8.4%

Risk findings and assumption review

Facts from the statements, what the person stated, and what is missing. Nothing here sets a rate or a premium; a question is asked only where an answer changes a material assumption.

Finding	What was found	Evidence and what is missing	Question to confirm
Periods in the earnings basis [Verified financial fact]	The earnings basis holds 3 annual period(s).	Periods: Year ended 2023–12–31, Year ended 2024–12–31, Year ended 2025–12–31	
Trend of normalized EBITDA [Verified financial fact]	Normalized EBITDA moved from 166000 (Year ended 2023–12–31) to 227000 (Year ended 2025–12–31) across the basis. No change between consecutive periods crossed the disclosure threshold.	Year ended 2023–12–31: EBITDA 166000; Year ended 2024–12–31: EBITDA 201800; Year ended 2025–12–31: EBITDA 227000	
EBITDA margin [Verified financial fact]	EBITDA margin on revenue, by period.	Year ended 2023–12–31: revenue 1370000, EBITDA margin 12.1%; Year ended 2024–12–31: revenue 1485000, EBITDA margin 13.6%; Year ended 2025–12–31: revenue 1590000, EBITDA margin 14.3%	
Debt [Verified financial fact]	Debt 80000 is deducted between enterprise and equity value.	Debt: short–term 38000, long–term 42000, other 0; Debt is 0.39 times maintainable EBITDA of 207240. Missing: working–capital balances and debt maturities: this review does not read them	

Finding	What was found	Evidence and what is missing	Question to confirm
Cash added back (not verified as excess) [Numerical assumption]	Cash 47669 is added back between enterprise and equity value. It is the excess–cash amount a person entered for this valuation, not one the product derived: it is not verified as excess cash, and how much cash the business needs to operate is their judgment, not independently verified.	Cash added back: 47669. Missing: independent support for how much of the cash the business needs to operate	
Age of the statements [Verified financial fact]	The latest statements end on 2025–12–31, 0 days before the valuation date 2025–12–31.	Statements end 2025–12–31; Valuation date 2025–12–31	
Industry and jurisdiction [User representation]	Industry and jurisdiction as recorded for this client.	Market of the government yield and the equity premium: United States (set by the client's default); Industry: NAICS 238220 Plumbing, Heating, and Air–Conditioning Contractors (client record). Missing: industry risk measures, country risk and size premiums: the product holds none and applies none; any such premium is the person's, with its source	
Capital expenditure against depreciation [Numerical assumption]	The capital expenditure you stated is 1.42 times the depreciation and amortization behind EBITDA.	Stated capital expenditure 58000 (Illustrative: about 3.6% of revenue); Depreciation and amortization in the statements' EBITDA: 40900	
Growth against the earnings history [Numerical assumption]	You assume nominal long–term growth of 2.5% a year; EBITDA did not decline across the basis.	Normalized EBITDA 166000 (Year ended 2023–12–31) to 227000 (Year ended 2025–12–31)	
Premiums above the risk–free yield [Numerical assumption]	The premiums above the risk–free yield total 15%. Each is your assumption, with the basis you gave; the product holds no premium data, did not derive any from the answers below and does not verify the sources.	Equity market premium 5.5%: Illustrative, synthetic demo; not market–validated; Small–company premium 5.5%: Illustrative, synthetic demo; not market–validated; Company–specific premium 4%: Illustrative, synthetic demo: owner dependence	
Owner dependence (your answer) [User representation]	You assessed owner dependence as moderate.	Your answer: moderate; Your note: The owner sells the larger projects; a general manager and two lead technicians run daily operations.	

Finding	What was found	Evidence and what is missing	Question to confirm
Customer concentration (your answer) [User representation]	You assessed customer concentration as low.	Your answer: low; Your note: No customer above 4% of revenue; about 900 residential and small–commercial accounts.. Missing: customer–level revenue: the statements hold none, so this answer is your representation and could not be checked	
Earnings volatility (your answer) [Qualitative judgment]	You assessed earnings volatility as low.	Your answer: low; Your note: EBITDA rose in each of the last four years and maintenance agreements are recurring.	
Growth durability (your answer) [Qualitative judgment]	You assessed growth durability as moderate.	Your answer: moderate; Your note: Growth depends on the local housing stock and the equipment–replacement cycle.	
Competition (your answer) [Qualitative judgment]	You assessed competition as moderate.	Your answer: moderate; Your note: Many small local competitors and a few regional consolidators.. Missing: market–share and competitor data: the product holds none	
Management depth (your answer) [User representation]	You assessed management depth as moderate.	Your answer: moderate; Your note: One general manager; no written succession plan.	
Reinvestment needs (your answer) [Qualitative judgment]	You assessed reinvestment needs as moderate.	Your answer: moderate; Your note: Service fleet replacement of about two vehicles a year.	

How the risk answers were used

No answer changes the required return or the value by a number of points: the product has no supported mapping from a qualitative answer to a rate. The answers decide the review, the confidence, the uncertainty, the confirmations required and the sensitivity shown; the premium is yours.

Risk factor	Your answer	Direction	Statements	Bears on	What it changed
Owner Dependence	moderate	neutral	unverifiable	cash flow, growth, required return	Recorded as moderate. It changes no rate or value; its statements check is unverifiable.
Customer Concentration	low	favourable	unverifiable	cash flow, growth, required return	Recorded as favourable. It lowers no rate and raises no value by itself: it is part of the support for the premium and growth you chose (cash flow, growth, required return), and its statements check is unverifiable.

Risk factor	Your answer	Direction	Statements	Bears on	What it changed
Earnings Volatility	low	favourable	consistent	growth, range, required return	Recorded as favourable. It lowers no rate and raises no value by itself: it is part of the support for the premium and growth you chose (growth, range, required return), and its statements check is consistent.
Growth Durability	moderate	neutral	unverifiable	growth	Recorded as moderate. It changes no rate or value; its statements check is unverifiable.
Competition	moderate	neutral	unverifiable	growth, required return	Recorded as moderate. It changes no rate or value; its statements check is unverifiable.
Management Depth	moderate	neutral	unverifiable	cash flow, required return	Recorded as moderate. It changes no rate or value; its statements check is unverifiable.
Reinvestment Needs	moderate	neutral	consistent	cash flow	Recorded as moderate. It changes no rate or value; its statements check is consistent.

Confidence and uncertainty

Confidence of the assumptions: MEDIUM (the earnings basis holds three or more periods, all seven risks are assessed, none is contradicted by the statements and the tax basis is settled. Never HIGH: the premium has no market evidence). Uncertainty of the outcome: not elevated (no unfavourable answer and no swing or decline above the disclosure thresholds; this does not mean the uncertainty is low). Answered 7 of 7: 2 favourable, 5 moderate, 0 unfavourable; 0 contradicted by the statements, 5 that the statements cannot verify.

Qualitative risk assessment

Recorded as the person assessed them. They are not converted into a rate or a premium.

Factor	Assessment	Note
Owner Dependence	Moderate	The owner sells the larger projects; a general manager and two lead technicians run daily operations.
Customer Concentration	Low	No customer above 4% of revenue; about 900 residential and small–commercial accounts.
Earnings Volatility	Low	EBITDA rose in each of the last four years and maintenance agreements are recurring.
Growth Durability	Moderate	Growth depends on the local housing stock and the equipment–replacement cycle.
Competition	Moderate	Many small local competitors and a few regional consolidators.
Management Depth	Moderate	One general manager; no written succession plan.
Reinvestment Needs	Moderate	Service fleet replacement of about two vehicles a year.

Review handoff: what to inspect

For the person who reviews this engagement. Every item below is printed in this report from the saved calculation; nothing was added for the review.

Inspect	Where it is printed	What to confirm
The statements and the periods of the earnings basis	Valuation engagement; the financial sections	That the periods, the currency, the units and the weights are the ones the engagement means, and that no later fact entered a historical valuation.
Normalized earnings and the adjustments	Maintainable net cash flow and value	That every adjustment was stated and confirmed by a person with a reason. The application applies no add–back, owner–compensation replacement or one–time adjustment of its own.
From earnings to free cash flow	Maintainable net cash flow and value	Depreciation, operating tax, capital expenditure (and lease principal repaid where lease cost sits outside the earnings) and working capital: whether each is a statement line or a labelled proposal, and whether a one–time item is capitalized.
The required return, its parts and the alternatives	Required return and capitalization rate; Scenarios on the stated rate range	Who owns each component and what source stands behind it, the buyer perspective and the alternative scenario, and the commercial–use status of any market–evidence snapshot.
The enterprise–to–equity bridge	The method sections	Cash and short–term investments added, debt and lease obligations deducted, and the items the bridge names as not counted.
Risk answers, findings and confidence	Risk findings and assumption review; Qualitative risk assessment	That no risk answer was converted into a number of points, and that each finding marked material has been answered.
Limitations	Limitations of this valuation	That the reviewer's use of the conclusion is within them.

Reviewer's conclusion (to be completed by the reviewer)

Left blank for the reviewer. No reviewer's conclusion has been recorded on this valuation.

Record	Reviewer's entry
Reviewer's name	_____
Credential and licence, if any	_____
Date of the review	_____
Conclusion (adopted as stated / adopted with changes / not adopted / left conditional)	_____
Changes made, or the reason it is left conditional	_____

Status of this record

No professional review has been recorded. A conditional scenario stays conditional until a reviewer records a conclusion above; this report never upgrades it.

Consensus is shown on one stated basis only: Equity value. It summarizes the 5 method(s) that could be expressed on that basis; an arithmetic summary of methods is not a determination of fair value or of a "true" value.

Numeric basis

Every figure of this valuation was computed in exact decimal arithmetic (numeric contract 2) and rounded once, to 2 decimal place(s), half to even (rounding policy 1.0.0). Nothing was rounded before the last step, and a total is rounded from the exact total, not from the rounded cells.

Consensus on the equity value basis

Amounts in whole units

Measure	Value	Note
Simple mean	715,460.85	Unweighted mean of the included methods
Weighted mean	758,781.46	Using the weights saved with the valuation
Median	755,181.00	
Lowest method value	373,669.00	Method range, not a likely range
Highest method value	955,105.67	Method range, not a likely range
Methods included	5	
Method agreement (heuristic)	Moderate Consensus	Score 45 of 100: a fixed heuristic of how closely the methods agree, not a statistical confidence

Value basis of each method

Method	Original basis	Original value	On consensus basis	Treatment
SDE multiple	Equity value	834,704.00	834,704.00	Direct
EBITDA multiple	Enterprise value	787,512.00	755,181.00	Converted
Capitalization of maintainable cash flow	Enterprise value	690,975.56	658,644.56	Converted
Discounted cash flow	Enterprise value	987,436.67	955,105.67	Converted
Adjusted net asset value	Asset value	373,669.00	373,669.00	Converted by identity: adjusted assets less adjusted liabilities and noncontrolling interest, taken as equity value as stated; no cash or debt bridge.

Weighted contributions

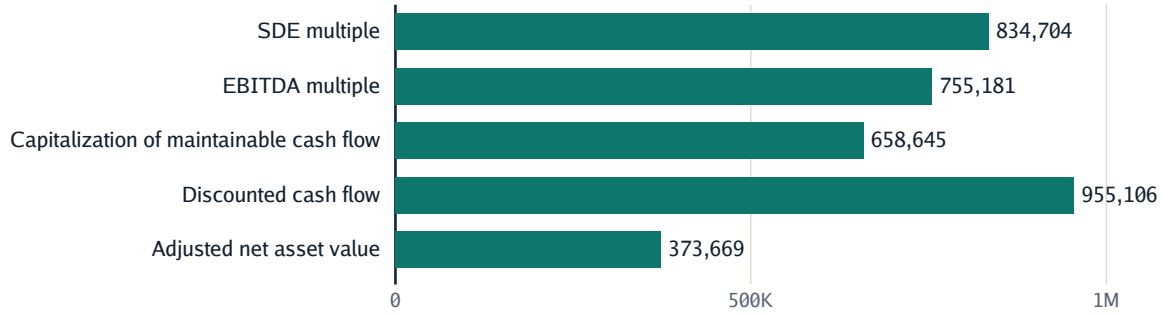
Amounts in whole units. Each is rounded once from its exact value; the weighted mean is rounded from the exact sum.

Method	Value	Weight	Normalized weight (%)	Contribution
SDE multiple	834,704.00	0.20	20.00%	166,940.80
EBITDA multiple	755,181.00	0.20	20.00%	151,036.20
Capitalization of maintainable cash flow	658,644.56	0.25	25.00%	164,661.14
Discounted cash flow	955,105.67	0.25	25.00%	238,776.42
Adjusted net asset value	373,669.00	0.10	10.00%	37,366.90

Together the 5 contributions give the weighted mean, 758,781.46.

Methods on the equity value basis

The value axis starts at zero; a period with no value is left blank, not drawn as zero.



Only methods expressed on the consensus basis are compared.

11. Sensitivity

Period: As of 2025–12–31 | Evidence: E01

Sensitivity tables re–run the saved valuation inputs across the ranges the preparer chose. They show how the saved result moves; they do not change it.

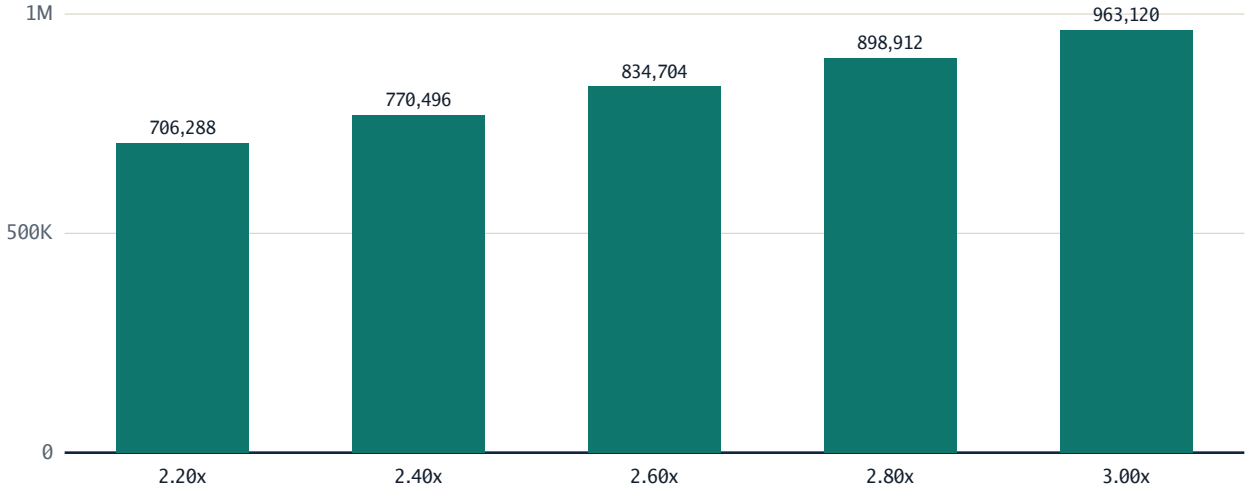
Value across earnings multiples (SDE)

Amounts in whole units. Earnings used: 321,040.00. Each value is net of the noncontrolling interest of 0.00 (its reported book value), as the SDE multiple method itself is.

Multiple	Value	Note
2.20x	706,288.00	
2.40x	770,496.00	
2.60x	834,704.00	
2.80x	898,912.00	
3.00x	963,120.00	

Value across earnings multiples

The value axis starts at zero; a period with no value is left blank, not drawn as zero.



Enterprise value across discount and terminal growth rates (discounted cash flow)

Amounts in whole units. Every cell is discounted at period end, as the discounted cash flow method itself was.

Discount rate \ terminal growth	1.50%	2.00%	2.50%	3.00%	3.50%
15.16%	1,093,475.34	1,119,624.78	1,147,839.59	1,178,374.49	1,211,527.95
16.16%	1,016,384.43	1,038,259.87	1,061,736.61	1,086,997.17	1,114,252.87
17.16%	949,209.67	967,692.82	987,436.67	1,008,574.76	1,031,260.19
18.16%	890,162.79	905,916.75	922,676.64	940,541.99	959,625.91
19.16%	837,860.69	851,392.66	865,736.83	880,968.58	897,172.92

n/a: the combination is not valid (for example the terminal growth rate is not below the discount rate).

12. Appendices

A. Reading this report

- n/a: the figure was not available from its source (for example, a required input was missing). It is never a zero.
- 0: the source verified the figure and it is zero.
- Display rounding: amounts are shown in whole units unless a smaller amount needs decimals to avoid reading as zero; percentages, ratios and days are rounded for display only. Display rounding is applied to a finished figure, never fed back into a calculation; the workbook holds the exact values. Each calculation states its own numeric basis where it is described (for a valuation, in its Numeric basis paragraph), and this note does not describe how any one of them rounds internally.
- Section status: Available; Available with warnings (the owning analysis raised warnings that are listed in the section); Unavailable (the section was selected but could not be produced, with the reason); Not selected (listed in the Scope section only).
- Source labels: text produced by a fixed template of this report, text and figures taken from the analysis that owns them, and analyst notes typed by a person are marked separately where they appear.

B. Financial Performance

Not produced by this analysis version

- Line-by-line comparison of the operating section across a change between the direct and the indirect method (only the section totals, the net change and the cash balances are compared)
- Capital expenditure inferred from investing outflows, and free cash flow without an identified, complete capital-expenditure line
- An intervening cash movement between two periods (none can be documented in this version, so a continuity residual across a contiguous boundary is never explained away), and continuity between periods of different lengths (for example an annual statement followed by quarterly ones)
- Cash-flow statements from an accounting-provider connection (cash-flow import is by file upload only)
- Annualization of a partial period, a trailing year completed by subtraction (a full year plus a year-to-date minus the prior year-to-date) or by mixing period lengths, and any figure for a missing period or a period that states no dates
- Currency conversion and amount rescaling (a series of mixed currencies or scales is blocked)
- Interest-bearing debt, net debt, leverage and coverage ratios (total liabilities are not debt; see the series balance-sheet rows for debt accounts)
- Printed subtotals other than gross profit, operating income, EBITDA, net income and the balance-sheet totals (current and total assets, current, non-current and total liabilities, total equity)
- Printed subtotals of a statement finalized before uploaded files kept them (they were dropped when that statement was normalized)
- Return and efficiency ratios (they need averages or cross-statement inputs this version does not define)

Financial metric definitions

Metric	Definition	Availability

Metric	Definition	Availability
Revenue	Sum of the revenue accounts (REV_*: product, service, recurring, other and the general account of a plain Sales or Revenue line) the statement reports for the period.	Available when at least one revenue account is reported. Revenue accounts that are not reported are listed, never treated as zero.
Cost of sales	Sum of the cost–of–goods–sold accounts (COGS_*, including the general account of a plain Cost of Sales line) the statement reports for the period.	Available when at least one COGS account is reported. A statement with no COGS account has an unknown, not a zero, cost of sales.
Gross profit	Revenue – Cost of sales. When the provider's own report printed a gross profit that the accounts reproduce within the reported tolerance, that printed figure is the value (REPORTED).	Derived when revenue and cost of sales are both available. Taken as reported when only the provider's printed figure exists. Unavailable (contradictory subtotal) when the printed figure and the accounts disagree.
Operating expenses	Sum of the operating–expense accounts (OPEX_*) the statement reports for the period. Depreciation and amortization are separate taxonomy codes and are not part of this total.	Available when at least one OPEX account is reported.
Depreciation	The DEPRECIATION account as the statement reports it.	Available when the statement reports a depreciation line. Depreciation embedded in other expense accounts cannot be identified and is not separated.
Amortization	The AMORTIZATION account as the statement reports it.	Available when the statement reports an amortization line.
Depreciation and amortization	Depreciation + Amortization, over the lines the statement reports.	Available when at least one of the two lines is reported; a warning says when only one is.

Metric	Definition	Availability
Operating income	The operating income the uploaded statement printed, whenever the statement's own printed rows reproduce it (REPORTED, source_verified: the rows printed above it, in the statement's own order, add up to it). Otherwise Gross profit – Operating expenses – Depreciation – Amortization (depreciation and amortization only where the statement reports them as their own lines; the taxonomy keeps them outside the OPEX and COGS accounts, so they are deducted here, once). D&A that sits inside the cost–of–sales or operating–expense accounts has already been deducted there and is not deducted again. The source's printed operating income is the value when it equals this derived figure within the reported tolerance, or when the statement's own rows reproduce it although this derived figure differs: that difference is shown as the separate metric Operating income (valuation basis), never as a second operating income.	Derived when gross profit and operating expenses are available. Unavailable (contradictory subtotal) when a printed figure differs from the derivation and the statement's own rows do not reproduce it: the two may use different definitions of D&A and a person must resolve it.
EBIT	Operating income + Other income – Other expense. A combined "Other income/(expense), net" line is not EBIT unless interest is reported separately. It equals operating income when no other income or expense is reported; interest and tax are below it. Operating income plus a combined net line that may hold interest is income before tax, which this analysis does not call EBIT. A printed net financing charge ("Net financing charges") is such a line: financing costs net of financing income, not separately stated interest.	Unavailable (interest not separated) when a combined other income/(expense), net line may hold interest and interest income and expense are not both reported. Otherwise available when operating income is, equal to it if no other income or expense is reported (EBIT equals operating income). Interest is never assumed zero; an account not reported is listed, never treated as zero. Operating income and net income are unaffected. A printed net financing charge is treated as such a combined line.
EBITDA	Operating income + Depreciation + Amortization, where operating income has deducted exactly the same separately reported D&A lines that are added back here. Numerically, gross profit – Operating expenses.	Available when operating income is available and the statement reports a depreciation and/or amortization line (a reported zero is a verified zero). Unavailable (D&A not reported) otherwise: with no separate D&A line the amount, if any, sits inside other expense accounts and cannot be added back, so none is invented. A source's printed EBITDA is the value only when the accounts reproduce it (REPORTED, corroborated); when they cannot, the printed figure is shown as evidence and never used as a value.

Metric	Definition	Availability
Net income	EBIT + Interest income – Interest expense – Income tax. If EBIT is withheld (interest not separated) it is Operating income + Other income – Other expense + Interest income – Interest expense – Income tax. A printed net income is the value only when the accounts reproduce it within tolerance. Other income and expense are counted once; no missing account is invented and no interest is assumed zero (note net income without EBIT).	Derived when EBIT is available and an account below operating income is reported; also derived without EBIT when EBIT is withheld only for interest not separated, without inventing a missing account or assuming zero interest. Unavailable otherwise, e.g. with no operating income. Missing accounts are listed, never zero; income tax not reported warns when tax is missing, and no tax is invented for a pass–through entity.
Gross margin	Gross profit / Revenue, as a percentage to four decimals.	Unavailable when gross profit or revenue is unavailable, or when revenue is zero (zero denominator) or negative (negative denominator). A negative gross profit over positive revenue is a valid negative margin.
Operating margin	Operating income / Revenue, as a percentage to four decimals.	As gross margin.
EBITDA margin	EBITDA / Revenue, as a percentage to four decimals.	As gross margin; also unavailable whenever EBITDA is.
Net profit margin	Net income / Revenue, as a percentage to four decimals.	As gross margin; also unavailable whenever net income is.
Operating income (valuation basis)	Gross profit – Operating expenses – Depreciation – Amortization, by the semantic type of each row: the derived measure EBIT, EBITDA and net income are built from. It is not the statement's operating income and never replaces it.	Listed only for a period whose statement printed an operating income that its own rows reproduce and that differs from this figure (the statement prints, for example, Other income inside its operating income, which this basis carries below it, in EBIT). Absent for every other period.
Current assets	Sum of Cash, Accounts receivable, Inventory, Prepaid expenses and Other current assets the balance sheet reports.	Available when at least one current–asset account is reported.
Non–current assets	Fixed assets + Intangible assets + Goodwill – Accumulated depreciation, over the accounts the balance sheet reports. Accumulated depreciation is a contra account held as a positive magnitude (the taxonomy's convention, shared with the pipeline's balance–sheet check) and is subtracted.	Available when at least one non–current asset account is reported. Unavailable (structural ambiguity) when accumulated depreciation is reported negative: the sheet may already have netted it, and adding or subtracting it would be a guess.
Total assets	Current assets + Non–current assets, over the groups the balance sheet reports.	Available when current or non–current assets are available. A group that is not reported is not treated as zero but the balance–sheet identity then tests whether the total is complete. Unavailable whenever non–current assets are ambiguous.

Metric	Definition	Availability
Current liabilities	Sum of Accounts payable, Other current liabilities and Short–term debt the balance sheet reports.	Available when at least one current–liability account is reported.
Non–current liabilities	Long–term debt + Long–term lease liabilities + Non–current provisions + Deferred tax liabilities + Other non–current liabilities, over the accounts the balance sheet reports (taxonomy 1.1.0). A liability a source does not say is long–term is not placed here.	Available when at least one non–current liability account is reported. A printed total is the value only when the accounts reproduce it.
Total liabilities	Current liabilities + Non–current liabilities, over the groups the balance sheet reports. This is every liability account in the taxonomy; it is NOT interest–bearing debt.	Available when current or non–current liabilities are available. A printed total is the value only when the accounts reproduce it.
Total equity	Retained earnings + Owner equity, over the accounts the balance sheet reports.	Available when at least one equity account is reported.
Working capital	Current assets − Current liabilities.	Available when both are available.
Current ratio	Current assets / Current liabilities, to four decimals.	Unavailable when either is unavailable, or when current liabilities are zero (zero denominator) or negative (negative denominator).
Operating cash flow (CFO)	The operating section's figure exactly as the snapshot froze it: the total the statement printed when it printed one (REPORTED), otherwise the exact sum of its operating lines (DERIVED). Signed by its effect on cash: an inflow is positive, an outflow negative. Direct and indirect statements are both read to this one total; their detail lines are not comparable with each other.	Available when the statement reports operating lines or prints an operating total. A section the statement does not report is unavailable (not reported), never zero.
Investing cash flow (CFI)	The investing section's figure exactly as the snapshot froze it (the printed total, else the exact sum of its lines), signed by its effect on cash.	Available when the statement reports investing lines or prints an investing total; otherwise unavailable (not reported), never zero.
Financing cash flow (CFF)	The financing section's figure exactly as the snapshot froze it (the printed total, else the exact sum of its lines), signed by its effect on cash.	Available when the statement reports financing lines or prints a financing total; otherwise unavailable (not reported), never zero.
Effect of exchange rates on cash	The exchange–rate effect on cash the statement reports as its own line. No exchange–rate effect is ever estimated and no currency is converted.	Available only when the statement reports the line; otherwise unavailable (not reported). A statement that reports none has no effect to show, which is not the same as a zero effect.

Metric	Definition	Availability
Net change in cash	The net movement of cash the statement's own reconciliation used: operating + investing + financing + the exchange–rate effect (where reported), or, when a section is not reported, the net change the statement printed adjusted for its stated exchange–rate convention.	Available when the snapshot's evaluation established a net movement (all three sections, or a printed net change, and a determinable exchange–rate convention); otherwise unavailable.
Beginning cash	The cash and cash equivalents balance at the start of the period, as the statement reports it. A balance, not a flow.	Available when the statement reports exactly one beginning–cash line for the period.
Ending cash	The cash and cash equivalents balance at the end of the period, as the statement reports it. A balance, not a flow. Whether it is the balance sheet's cash line is a separate diagnostic that is never assumed.	Available when the statement reports exactly one ending–cash line for the period.
Capital expenditures (spend)	Sign convention, defined once: operating, investing and financing cash flow are signed (inflow positive); capital expenditure SPEND is a non–negative magnitude, the negative of the sum of the lines the statement classifies as capital expenditure (cf inv capex). Other investing outflows (acquisitions, investments, other) are NOT capital expenditure and are never counted as it.	Available when at least one line is classified as capital expenditure and they net to an outflow or zero. Unavailable (capex not identified) when none is, and (capex sign unexpected) when they net to an inflow. A warning (capex may be incomplete) says when the statement also reports an unclassified investing line, which may hold capital expenditure too.
Free cash flow	Operating cash flow – capital expenditure spend (CFO is signed; capex spend is a non–negative magnitude).	Available when operating cash flow is available and capital expenditure is identified AND complete (no unclassified investing line is reported). Otherwise unavailable with the reason (capex not identified / capex not complete): a missing capex is never taken as zero.
Operating cash conversion (CFO / EBITDA)	Operating cash flow / EBITDA of the income statement for the identical period, as a multiple to four decimals.	Available only when the series holds an income statement covering the identical dated period (the same start and end), EBITDA is available under financial/methodology v2, and EBITDA is positive. Unavailable otherwise (period not aligned, no comparable statement, zero denominator, negative denominator). A negative CFO over a positive EBITDA is a valid negative multiple.
Free cash flow conversion (FCF / EBITDA)	Free cash flow / EBITDA of the income statement for the identical period, as a multiple to four decimals.	As operating cash conversion, and also unavailable whenever free cash flow is.
Capex coverage (CFO / capex)	Operating cash flow / capital expenditure spend, as a multiple to four decimals.	Available when operating cash flow is available, capital expenditure is identified and complete, and the spend is positive (zero denominator when no capital expenditure was spent).

C. Financial Health

Health metric definitions

Metric	Owner	Formula	Availability
Revenue	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: Sum of the revenue accounts (REV_*: product, service, recurring, other and the general account of a plain Sales or Revenue line) the statement reports for the period.	Available when at least one revenue account is reported. Revenue accounts that are not reported are listed, never treated as zero.
Revenue growth	healthengine	(Revenue – prior Revenue) / |prior Revenue| * 100, to four decimals, against the prior comparable window.	Unavailable when there is no prior comparable window (no prior window, prior window not like for like, prior window not reproducible or a NOT_COMPARABLE_* reason), when either figure is unavailable (missing current / missing base) and, for a percentage, over a zero base (zero base).
Gross profit	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: Revenue – Cost of sales. When the provider's own report printed a gross profit that the accounts reproduce within the reported tolerance, that printed figure is the value (REPORTED).	Derived when revenue and cost of sales are both available. Taken as reported when only the provider's printed figure exists. Unavailable (contradictory subtotal) when the printed figure and the accounts disagree.
Gross margin	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: Gross profit / Revenue, as a percentage to four decimals.	Unavailable when gross profit or revenue is unavailable, or when revenue is zero (zero denominator) or negative (negative denominator). A negative gross profit over positive revenue is a valid negative margin.

Metric	Owner	Formula	Availability
Operating income	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: The operating income the uploaded statement printed, whenever the statement's own printed rows reproduce it (REPORTED, source_verified: the rows printed above it, in the statement's own order, add up to it). Otherwise Gross profit – Operating expenses – Depreciation – Amortization (depreciation and amortization only where the statement reports them as their own lines; the taxonomy keeps them outside the OPEX and COGS accounts, so they are deducted here, once). D&A that sits inside the cost–of–sales or operating–expense accounts has already been deducted there and is not deducted again. The source's printed operating income is the value when it equals this derived figure within the reported tolerance, or when the statement's own rows reproduce it although this derived figure differs: that difference is shown as the separate metric Operating income (valuation basis), never as a second operating income.	Derived when gross profit and operating expenses are available. Unavailable (contradictory subtotal) when a printed figure differs from the derivation and the statement's own rows do not reproduce it: the two may use different definitions of D&A and a person must resolve it.
Operating margin	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: Operating income / Revenue, as a percentage to four decimals.	As gross margin.

Metric	Owner	Formula	Availability
EBIT	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: Operating income + Other income − Other expense. A combined "Other income/(expense), net" line is not EBIT unless interest is reported separately. It equals operating income when no other income or expense is reported; interest and tax are below it. Operating income plus a combined net line that may hold interest is income before tax, which this analysis does not call EBIT. A printed net financing charge ("Net financing charges") is such a line: financing costs net of financing income, not separately stated interest.	Unavailable (interest not separated) when a combined other income/(expense), net line may hold interest and interest income and expense are not both reported. Otherwise available when operating income is, equal to it if no other income or expense is reported (EBIT equals operating income). Interest is never assumed zero; an account not reported is listed, never treated as zero. Operating income and net income are unaffected. A printed net financing charge is treated as such a combined line.
EBITDA	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: Operating income + Depreciation + Amortization, where operating income has deducted exactly the same separately reported D&A lines that are added back here. Numerically, gross profit − Operating expenses.	Available when operating income is available and the statement reports a depreciation and/or amortization line (a reported zero is a verified zero). Unavailable (D&A not reported) otherwise: with no separate D&A line the amount, if any, sits inside other expense accounts and cannot be added back, so none is invented. A source's printed EBITDA is the value only when the accounts reproduce it (REPORTED, corroborated); when they cannot, the printed figure is shown as evidence and never used as a value.
EBITDA margin	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: EBITDA / Revenue, as a percentage to four decimals.	As gross margin; also unavailable whenever EBITDA is.

Metric	Owner	Formula	Availability
EBITDA growth	healthengine	(EBITDA – prior EBITDA) / |prior EBITDA| * 100.	Unavailable when there is no prior comparable window (no prior window, prior window not like for like, prior window not reproducible or a NOT_COMPARABLE_* reason), when either figure is unavailable (missing current / missing base) and, for a percentage, over a zero base (zero base). Also unavailable whenever EBITDA is in either window.
Net income	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: EBIT + Interest income – Interest expense – Income tax. If EBIT is withheld (interest not separated) it is Operating income + Other income – Other expense + Interest income – Interest expense – Income tax. A printed net income is the value only when the accounts reproduce it within tolerance. Other income and expense are counted once; no missing account is invented and no interest is assumed zero (note net income without EBIT).	Derived when EBIT is available and an account below operating income is reported; also derived without EBIT when EBIT is withheld only for interest not separated, without inventing a missing account or assuming zero interest. Unavailable otherwise, e.g. with no operating income. Missing accounts are listed, never zero; income tax not reported warns when tax is missing, and no tax is invented for a pass–through entity.
Net profit margin	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: Net income / Revenue, as a percentage to four decimals.	As gross margin; also unavailable whenever net income is.
Net income growth	healthengine	(Net income – prior Net income) / |prior Net income| * 100.	Unavailable when there is no prior comparable window (no prior window, prior window not like for like, prior window not reproducible or a NOT_COMPARABLE_* reason), when either figure is unavailable (missing current / missing base) and, for a percentage, over a zero base (zero base). Also unavailable whenever net income is in either window.

Metric	Owner	Formula	Availability
Current assets	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: Sum of Cash, Accounts receivable, Inventory, Prepaid expenses and Other current assets the balance sheet reports.	Available when at least one current–asset account is reported.
Current liabilities	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: Sum of Accounts payable, Other current liabilities and Short–term debt the balance sheet reports.	Available when at least one current–liability account is reported.
Current ratio	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: Current assets / Current liabilities, to four decimals.	Unavailable when either is unavailable, or when current liabilities are zero (zero denominator) or negative (negative denominator).
Quick ratio	healthengine	(Cash + Short–term investments + Accounts receivable) / Current liabilities, as a multiple to four decimals, all from the one balance sheet as of the window's end date. Inventory, prepaid expenses and other current assets are excluded. Short–term investments are included only when the balance sheet reports that line (a note says when it does not).	Unavailable when cash, receivables or current liabilities are (missing component: a line the balance sheet does not report is never assumed to be zero), when one of the quick assets is negative (sign unexpected), when the quick assets exceed the reported current assets (components exceed total) and when current liabilities are zero or negative.
Cash	financial/series/analysis	The bs cash account of the balance sheet as of exactly the window's end date (a QuickBooks revision: the sum of its Bank accounts).	Available when that balance sheet reports a cash line; otherwise not reported (never zero).
Cash as % of current assets	healthengine	Cash / Current assets * 100, to four decimals.	Unavailable when either input is unavailable (missing component) and when the denominator is zero (zero denominator) or negative (negative denominator).

Metric	Owner	Formula	Availability
Working capital	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: Current assets – Current liabilities.	Available when both are available.
Working capital change	healthengine	Working capital – prior Working capital (an exact amount), against the balance sheet one year earlier.	Unavailable when there is no prior comparable window (no prior window, prior window not like for like, prior window not reproducible or a NOT_COMPARABLE_* reason), when either figure is unavailable (missing current / missing base) and, for a percentage, over a zero base (zero base).
Working capital as % of revenue	healthengine	Working capital (as of the window end) / Revenue (of the window) * 100.	Unavailable when either input is unavailable (missing component) and when the denominator is zero (zero denominator) or negative (negative denominator).
Short–term debt	healthengine	The bs short term debt account of the balance sheet as of the window's end date, as reported (a QuickBooks revision: the sum of its Other Current Liability / Line of Credit and Loan Payable accounts).	Available when that balance sheet reports the line (a reported zero is a value); otherwise not reported, never zero.
Long–term debt	healthengine	The bs long term debt account of the balance sheet as of the window's end date, as reported (a QuickBooks revision: the sum of its Long Term Liability / Notes Payable and Shareholder Notes Payable accounts).	As short–term debt.
Total conventional financial debt	healthengine	Short–term debt + Long–term debt, over the lines the balance sheet reports (the definition financial/metrics uses for its TotalDebt). Lease liabilities are NOT included.	Available when at least one of the two lines is reported; a note says when one is not (it is not completed with a zero). Unavailable when neither is reported (not reported), when a line is negative (sign unexpected) and when there is no balance sheet as of the end date.

Metric	Owner	Formula	Availability
Debt change	healthengine	Total debt – prior Total debt, against the balance sheet one year earlier.	Unavailable when there is no prior comparable window (no prior window, prior window not like for like, prior window not reproducible or a NOT_COMPARABLE_* reason), when either figure is unavailable (missing current / missing base) and, for a percentage, over a zero base (zero base). Also unavailable when the two balance sheets do not report the same debt lines (debt accounts not comparable): a change between different lines would be an artefact.
Debt change %	healthengine	(Total debt – prior Total debt) / |prior Total debt| * 100.	As debt change, and over a zero base (zero base).
Lease liabilities (long–term, shown separately)	healthengine	The bs long term lease account of the balance sheet as of the window's end date, as reported. It is shown beside debt and is never part of it. The taxonomy has no code for a current lease liability, so only the non–current portion is identified. QuickBooks has no lease–liability account at all, so for a QuickBooks revision the figure is never available (not represented by accounts): that is not a statement that there are none.	As short–term debt.
Net debt	healthengine	Total debt – Cash (both from the one balance sheet). A negative figure is net cash.	Unavailable when debt or cash is (missing component), and when the cash line's own source label says it includes restricted cash (cash definition incompatible): the label decides, nothing is assumed from the amount.
Debt / EBITDA	healthengine	Total debt / EBITDA, as a multiple to four decimals.	Unavailable when either input is unavailable (missing component) and when the denominator is zero (zero denominator) or negative (negative denominator). EBITDA is the series analysis' (financial/methodology v2): unavailable whenever it is.

Metric	Owner	Formula	Availability
Net debt / EBITDA	healthengine	Net debt / EBITDA, as a multiple to four decimals (negative for net cash).	Unavailable when either input is unavailable (missing component) and when the denominator is zero (zero denominator) or negative (negative denominator).
Interest expense	healthengine	The exact sum of the interest expense account over the income–statement periods that fill the window (a QuickBooks revision: its Expense / Interest Paid account).	Available when every period reports the line (a reported zero is a value). Unavailable when none does (not reported: no interest is assumed), when only some do (component not reported in every period) and when the sum is negative (sign unexpected).
Interest coverage (EBIT / interest expense)	healthengine	EBIT / Interest expense, as a multiple to four decimals. EBIT is the series analysis' (operating income plus other income less other expense).	Unavailable when either input is unavailable (missing component) and when the denominator is zero (zero denominator) or negative (negative denominator). A window with zero interest expense has no coverage figure.
Total liabilities / total assets	healthengine	Total liabilities / Total assets of the balance sheet as of the window's end date, as a multiple to four decimals (0.45 = liabilities fund 45% of the assets). Both totals are the series analysis' own.	Unavailable when either input is unavailable (missing component) and when the denominator is zero (zero denominator) or negative (negative denominator). Also unavailable when total liabilities are negative (sign unexpected).
Financial debt / equity	healthengine	Total conventional financial debt / Total equity of the balance sheet as of the window's end date, as a multiple to four decimals. Debt is short–term plus long–term debt only (lease liabilities and trade payables are not debt here); equity is the series analysis' total equity, non–controlling interest included. This is not the published industry benchmark "Debt to equity", which divides ALL liabilities by equity: the two are different ratios and are never compared with each other.	Unavailable when either input is unavailable (missing component) and when the denominator is zero (zero denominator) or negative (negative denominator). Negative equity gives negative denominator: the ratio is not meaningful, it is not shown as a negative multiple.

Metric	Owner	Formula	Availability
Operating cash flow (CFO)	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: The operating section's figure exactly as the snapshot froze it: the total the statement printed when it printed one (REPORTED), otherwise the exact sum of its operating lines (DERIVED). Signed by its effect on cash: an inflow is positive, an outflow negative. Direct and indirect statements are both read to this one total; their detail lines are not comparable with each other.	Available when the statement reports operating lines or prints an operating total. A section the statement does not report is unavailable (not reported), never zero.
Operating cash flow growth	healthengine	(Operating cash flow – prior Operating cash flow) / |prior Operating cash flow| * 100.	Unavailable when there is no prior comparable window (no prior window, prior window not like for like, prior window not reproducible or a NOT_COMPARABLE_* reason), when either figure is unavailable (missing current / missing base) and, for a percentage, over a zero base (zero base).
Capital expenditures (spend)	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: Sign convention, defined once: operating, investing and financing cash flow are signed (inflow positive); capital expenditure SPEND is a non–negative magnitude, the negative of the sum of the lines the statement classifies as capital expenditure (cf inv capex). Other investing outflows (acquisitions, investments, other) are NOT capital expenditure and are never counted as it.	Available when at least one line is classified as capital expenditure and they net to an outflow or zero. Unavailable (capex not identified) when none is, and (capex sign unexpected) when they net to an inflow. A warning (capex may be incomplete) says when the statement also reports an unclassified investing line, which may hold capital expenditure too.
Capital expenditure as % of revenue	healthengine	Capital expenditure spend / Revenue * 100. Capital expenditure is only ever the lines the statement classifies as such.	Unavailable when either input is unavailable (missing component) and when the denominator is zero (zero denominator) or negative (negative denominator).

Metric	Owner	Formula	Availability
Free cash flow	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: Operating cash flow – capital expenditure spend (CFO is signed; capex spend is a non–negative magnitude).	Available when operating cash flow is available and capital expenditure is identified AND complete (no unclassified investing line is reported). Otherwise unavailable with the reason (capex not identified / capex not complete): a missing capex is never taken as zero.
Operating cash conversion (CFO / EBITDA)	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: Operating cash flow / EBITDA of the income statement for the identical period, as a multiple to four decimals.	Available only when the series holds an income statement covering the identical dated period (the same start and end), EBITDA is available under financial/methodology v2, and EBITDA is positive. Unavailable otherwise (period not aligned, no comparable statement, zero denominator, negative denominator). A negative CFO over a positive EBITDA is a valid negative multiple.
Free cash flow conversion (FCF / EBITDA)	financial/series/analysis	Over the window (twelve months for a flow, the window's end date for a balance): the series analysis' trailing figure. Single–period definition: Free cash flow / EBITDA of the income statement for the identical period, as a multiple to four decimals.	As operating cash conversion, and also unavailable whenever free cash flow is.
Operating cash conversion (CFO / net income)	healthengine	Operating cash flow / Net income of the identical dated window, as a multiple to four decimals.	Unavailable when either input is unavailable (missing component) and when the denominator is zero (zero denominator) or negative (negative denominator). Also unavailable when no cash–flow statement fills the identical window (no cash flow statement, cash flow window unavailable, period not aligned).
Operating expenses as % of revenue	healthengine	Operating expenses (the OPEX accounts; depreciation and amortization are separate) / Revenue * 100.	Unavailable when either input is unavailable (missing component) and when the denominator is zero (zero denominator) or negative (negative denominator).

Metric	Owner	Formula	Availability
Return on assets (average total assets)	healthengine	Net income of the window / average total assets * 100, to four decimals. Average total assets = (the balance sheet dated exactly one year before the window's end + the balance sheet as of the window's end) / 2. Net income is the series analysis' (financial/methodology), never recomputed here.	Unavailable when net income is (missing component), when either balance sheet is missing (no opening balance sheet, ambiguous opening balance sheet, opening not comparable or the closing balance sheet's reason): a balance sheet at another date, or the closing balance alone, is never used in its place. Unavailable when either total is zero or negative.
Return on equity (average total equity)	healthengine	Net income of the window / average total equity * 100, to four decimals. Average total equity = (the opening balance sheet + the closing balance sheet) / 2, the opening one dated exactly one year before the window's end.	As return on assets, with equity: unavailable when either equity is zero (zero denominator) or negative (negative denominator).
Inventory turnover (cost of sales / average inventory)	healthengine	Cost of sales of the window / average inventory, as a multiple to four decimals. Average inventory = (opening inventory + closing inventory) / 2, the opening one read from the balance sheet dated exactly one year before the window's end.	Unavailable when cost of sales is (missing component), when either balance sheet reports no inventory line (not reported: a service business holds none, it is not zero), when the opening balance sheet is missing, and when the average inventory is zero (zero denominator).
Receivables days (ending balance, 365–day approximation)	healthengine	Accounts receivable (the Accounts Receivable type of a QuickBooks revision; as of the window end) / Revenue (of the window) * 365, to two decimals: an ending balance over the window's flow, the day–count convention analytics/ratios uses. An APPROXIMATION, not the DSO: the Working Capital analysis owns the authoritative DSO.	Unavailable when either input is unavailable (missing component) and when the denominator is zero (zero denominator) or negative (negative denominator). Unavailable when the balance sheet reports no receivables line (not reported).
Inventory days (ending balance, 365–day approximation)	healthengine	Inventory (Other Current Asset / Inventory for a QuickBooks revision; as of the window end) / Cost of sales (of the window) * 365, to two decimals. An approximation, not the Working Capital analysis' inventory days.	Unavailable when either input is unavailable (missing component) and when the denominator is zero (zero denominator) or negative (negative denominator). Unavailable when the balance sheet reports no inventory line (a service business holds none): it is not zero.

Metric	Owner	Formula	Availability
Payables days (ending balance, 365–day approximation)	healthengine	Accounts payable (the Accounts Payable type of a QuickBooks revision; as of the window end) / Cost of sales (of the window) * 365, to two decimals. An approximation, not the DPO: the Working Capital analysis owns the authoritative DPO.	Unavailable when either input is unavailable (missing component) and when the denominator is zero (zero denominator) or negative (negative denominator). Unavailable when the balance sheet reports no payables line.
Cash cycle days (ending balance, 365–day approximation)	healthengine	Receivables days + inventory days – payables days, from the figures as shown. An approximation, not the cash conversion cycle: the Working Capital analysis owns the authoritative one.	Unavailable unless all three are values (missing component).

D. Valuation Methodologies

Valuation provenance

- Financial evidence: saved series "Valuation evidence: all available years" revision 1, window Year ended 2025–12–31 (2025–01–01 to 2025–12–31).
- Methods selected: SDE multiple, EBITDA multiple, capitalization of earnings, DCF, adjusted net asset value.

Who supplied the multiples, rates and adjustments

The statements below are the wording saved with the valuation. Where they say that multiples, rates, forecasts, fair–value overrides and adjustments were entered or confirmed by the user, that holds only for the figures the valuation assumptions (or the method's own section) mark as entered or confirmed by the user. A figure marked as a system, industry or other product default is the product's own assumption: arithmetic on it is not market evidence and was not entered or confirmed by the user. A valuation that reached no conclusion used no such figure.

Valuation disclaimers (saved with the valuation)

- Multiples, rates, forecasts, fair–value overrides and adjustments in this report were entered or confirmed by the user. The product supplied no market data and no comparable–company information.
- Results on different value bases (enterprise, equity, asset) are never averaged directly. A consensus is shown only on one stated basis, and only where the engine could convert each method onto it using bridge figures supplied by the user.
- Consensus statistics summarize the selected methods. An arithmetic mean of methods is not a determination of fair value or of a "true" value.
- The source figures come from the user's own financial document as classified and confirmed in review. Format validation of a currency code is not verification that the statement is denominated in it.

13. Evidence / Provenance Index

ID	Source	Revision	Window	Digest (first 16)	Status	Newest revision?
E01	Valuation run as of 2025-12-31	n/a	As of 2025-12-31	491356bd7c5c504a	verified	Not reported
E02	Annual statements 2021–2025, revision 1	1	2021-01-01 to 2025-12-31	bcabcd91763187be	verified	Yes
E03	Financial health: Annual statements 2021–2025, revision 1	1	2025-01-01 to 2025-12-31	38c3ab46797ad332	verified	Yes
E04	Quality of earnings: Annual statements 2021–2025, revision 1, review 2	1	2025-01-01 to 2025-12-31	2034d2b520da81d9	verified	Yes
E05	Working capital: Annual statements 2021–2025, revision 1	1	2025-01-01 to 2025-12-31	0a7f5ed792587d92	verified	Yes
E06	Base case (Base case, revision 1)	1	annual period ending 2025-12-31, series revision 1	ca410f010c3521f5	verified	Yes
E07	Upside case (Upside case, revision 1)	1	annual period ending 2025-12-31, series revision 1	19bff1fb8435f1d4	verified	Yes
E08	Downside case (Downside case, revision 1)	1	annual period ending 2025-12-31, series revision 1	4cf2005b0547200a	verified	Yes

Every source was re-read by its owning module and its digest proven when this report was prepared. The full digests, versions and roles are in the workbook's Evidence sheet and in the report's evidence API.

Scope of this report

This report presents an indicative business-value assessment based on supplied financial information and stated assumptions, for informational and business-planning purposes.

Report integrity

This document was rendered from a frozen report snapshot (template 7, policy 1, branding 1 from workspace) by go-valuate/reportrender pdf 7. The digest below identifies the report content; the same snapshot always renders to the same figures, and the sources it cites are listed above. The text is set in Go fonts (Bigelow & Holmes): Go Regular, Go Bold, Go Italic, Go Mono; the PDF carries only the glyphs it uses.

Snapshot digest (SHA-256) 80009df00257678a76931797cc3943ff9bd156c2dbbf18fa6563cef1bac14501