Business Valuation Report

Forge Components Ltd

Report date: 7 September 2026 · Market data: launch-5 · Capitalised Adjusted Earnings

Adjusted-EBITDA Bridge

Reported EBITDA (VAL-012)	**£360,000**
Owner pay adjustment vs market salary	− £30,000
Add back: one-off costs	+ £40,000
Deduct: one-off income	− £10,000
Adjusted EBITDA	**£360,000**

Revenue History & Margin Consistency

±7pp band

Period	Revenue	Adjusted EBITDA	Margin	vs last full year	Status
Last full year	£3,000,000	£360,000	12%	—	Baseline
Previous year	£2,800,000	£306,000	10.9%	-1.1pp	Consistent
Two years before	£2,600,000	£270,000	10.4%	-1.6pp	Consistent
Year to date annualised (8 months)	£2,700,000	£285,000	10.6%	-1.4pp	Consistent

All periods sit within +/- 7 percentage points of the last full year margin. Margins are adjusted EBITDA over revenue for the same period. This check is narrative context — it does not change the valuation, but anything outside the ±7pp band is worth explaining to a buyer.

Multiple Build-Up

Base multiple Manufacturing · £2m–£3.5m revenue band · market data version launch-5	**4.40x**
Key person dependency (VAL-064) moderately dependent	−0.25x
Customer concentration (VAL-060) 10 25	0.00x
Recurring revenue (VAL-061)	
Customer retention (VAL-062)	
Contract documentation (VAL-063) standardised contracts	0.00x
Final applied multiple	**4.40x**

Equity Bridge

Enterprise Value (EV)	£1,364,880
Add: cash & equivalents (VAL-019)	+ £200,000
Less: interest-bearing debt (VAL-023)	– £250,000
Less: lease & HP liabilities (VAL-024)	– £120,000
[redacted]	[redacted]
[redacted]	[redacted]
Equity Value (asset basis)	**£1,618,000**

This equity value excludes a completion working capital adjustment and other debt-like items such as corporation tax payable, pension deficits and dilapidations. Actual proceeds in a transaction will differ.

This range reflects confidence in the underlying figures, not a liquidation guarantee — the asset basis (VAL-055–059) carries its own valuation estimation risk.

[redacted] [redacted] [redacted]

Narrative context only — no equity adjustment is made for working capital in this report.

Valuation Range

Low	Midpoint	High
£1,294,000	£1,618,000	£1,942,000

[illegible]

Market Multiples & Control Basis

Cross-check only — the headline valuation remains the capitalised adjusted earnings basis.

EV / Revenue (VAL-051) — 0.45x

derived from the market-table basis

Implied enterprise value	£1,350,000
Implied equity value	**£1,130,000**

P / E (VAL-053) — 4.77x

derived from the market-table basis

Implied equity value	**£1,145,000**

[illegible]

Indicative value for a 100% controlling interest. Shown as a presentation line only — the headline equity value and valuation range are on the primary basis and exclude this premium.

Method Triangulation (Advanced)

Revenue growth basis — 5-year forecast

VAL-037 12-month forecast faded to long-term growth — year 1 at 8%, easing in a straight line to 2% by the final forecast year.

Company-Specific Risk Premium (CSRP)

Risk-free 4.5% + beta 1.1 × market risk premium 6% + size premium 7% + CSRP -1pp. A negative premium lowers the rate and raises the DCF value. Growth assumptions are unaffected.

Recurring revenue share (VAL-081 / VAL-061) — -1.00pp
50.5% effective recurring

Customer concentration (VAL-060)

Capitalised Adjusted Earnings

Enterprise value	£1,364,880
Equity value	**£1,618,000**

Triangulated midpoint (average of both methods)