

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

Equity Value (asset basis)

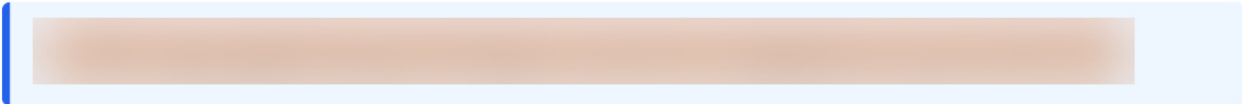
£1,618,000

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.

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

Valuation Range



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

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)

50.5% effective recurring

-1.00pp

Customer concentration (VAL-060)

Capitalised Adjusted Earnings

Enterprise value

£1,364,880

Equity value

£1,618,000

Triangulated midpoint (average of both methods)