

# CONFIDENTIAL — B2B PROFESSIONAL SERVICES

Business Valuation Analysis | Q1 2026

[Address withheld — available under NDA] | Asset Sale | Est. 2013 | B2B Professional Services

Prepared: Q1 2026 | Data: FY 2025 Actuals

FY Revenue	Gross Profit	Net Income	SDE (Final)	Employees
<b>\$1,650,000</b>	<b>\$1,072,500</b>	<b>\$385,000</b>	<b>\$537,000</b>	<b>8</b>
QuickBooks / Tax Return	65.0% margin	Reported P&L;	After adjustments	Owner ~35h/wk

## I. SELLER'S DISCRETIONARY EARNINGS (SDE) RECONSTRUCTION

LINE ITEM	AMOUNT	TYPE / SOURCE
<b>Net Income (Reported — FY 2025)</b>	<b>\$385,000</b>	Base — Per P&L;
+ Owner Compensation Excess	\$72,000	W-2 above market manager rate — payroll records on file
+ Auto / Vehicle (Personal Use)	\$14,500	Lease + fuel + insurance — owner discretionary
+ Spouse on Payroll (No Active Role)	\$38,000	Payroll records — family member, no operational duties
+ One-time Software Implementation	\$18,000	Vendor invoices — system migration completed
+ Discretionary Travel & Entertainment	\$9,500	Owner-related, non-business — credit card records
<b>Total Add-backs</b>	<b>\$152,000</b>	
<b>SDE (Final)</b>	<b>\$537,000</b>	Net Income + Add-backs

## II. INDICATED VALUE RANGES

METRIC	LOW	MID	HIGH	SOURCE
<b>REVENUE MULTIPLE APPROACH (secondary)</b>				IBBA Market Pulse Q4 2025 / BizBuySell professional services comps
Revenue (FY)	\$1,650,000	\$1,650,000	\$1,650,000	
Multiple Applied	0.55x	0.85x	1.10x	
<b>Indicated Value</b>	<b>\$907,500</b>	<b>\$1,402,500</b>	<b>\$1,815,000</b>	
<b>SDE MULTIPLE APPROACH (PRIMARY)</b>				
SDE (Final)	\$537,000	\$537,000	\$537,000	
Multiple Applied	2.50x	2.80x	3.00x	
<b>Indicated Goodwill Value (ex-inventory)</b>	<b>\$1,342,500</b>	<b>\$1,503,600</b>	<b>\$1,611,000</b>	Goodwill only
<b>All-in (+ Inventory \$0)</b>	<b>\$1,342,500</b>	<b>\$1,503,600</b>	<b>\$1,611,000</b>	Subject to count

### INDICATED GOODWILL VALUE RANGE

# \$1,342,500 — \$1,611,000

Midpoint: \$1,503,600 | All-in (incl. inventory): \$1,342,500 — \$1,611,000 | Asking: \$1,495,000

## III. DSCR ANALYSIS — SBA 7(a) FINANCING

SBA 7(a) STRUCTURE	VALUE — Asset Sale (No Inventory)
Purchase Price	\$1,503,600
Down Payment (10%)	\$150,360
<b>Loan Amount</b>	<b>\$1,353,240</b>
Interest Rate (Prime 6.8% + Spread 2.8%)	9.5%

Amortization	10 years
Annual Debt Service	\$209,892
SDE Available	\$537,000
DSCR	2.56x
SBA Minimum Required	1.25x
VERDICT	BANKABLE — Lender-Ready

Interest rate shown as assumption only (WSJ Prime 6.8% + lender spread 2.8% = 9.5%). Actual lender pricing varies. DSCR calculated on presented SDE.

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Open Items | Risk Factors | Disclaimer

### IV. OPEN ITEMS — REQUIRED BEFORE FINALIZING VALUATION

PRIORITY	ITEM	DETAIL / ACTION REQUIRED
CRITICAL	Customer Concentration Analysis	Confirm top-5 client revenue share. Service businesses with >40% single-client concentration face material valuation discount.
HIGH	Add-back Documentation	Each add-back requires supporting documentation — payroll records, vendor invoices, or CPA letter before closing.
MODERATE	Recurring Revenue Composition	Confirm split of recurring (contracted/retainer) vs. project-based revenue. Affects buyer risk profile and multiple.
INFO	Multi-Year Financial Data	Single-year P&L; provided. Request FY-2 and FY-3 to assess earnings trend and stability.

### V. RISK FACTORS

RISK FACTOR	DETAIL
Seasonality / Revenue Concentration	Confirm monthly revenue distribution. Material variance increases buyer and lender risk.
Single-Year Financial Data	Only FY 2025 provided. Trend analysis requires minimum 3 years. Request prior-year P&Ls.;
Add-back Verification	All add-backs require documentary support prior to lender submission. Undocumented add-backs will be disallowed by SBA underwriter.

### VI. DSCR SENSITIVITY — SDE vs. PURCHASE PRICE (Goodwill Scenario)

SDE \ Price	\$1,203,000	\$1,353,000	\$1,503,600	\$1,654,000	\$1,804,000
\$403,000	2.40x	2.13x	1.92x	1.74x	1.60x
\$470,000	2.80x	2.49x	2.24x	2.03x	1.86x
\$537,000	3.19x	2.84x	2.56x	2.32x	2.13x
\$604,000	3.59x	3.19x	2.87x	2.61x	2.40x
\$671,000	3.99x	3.55x	3.19x	2.90x	2.66x

Green = 1.50x+ (lender-ready) | Amber = 1.25x–1.49x (marginal) | Red = below SBA minimum | Highlighted cell = base case

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