BUSINESS VALUATION REPORT

Atelier Nordik Millwork Inc.

Custom cabinetry & architectural millwork

PREPARED FOR	The Shareholders of Atelier Nordik Millwork Inc.
VALUATION DATE	July 29, 2026
REFERENCE	SAMPLE-0001
PURPOSE	Owner exit / sale planning
CURRENCY	CAD

INDICATED VALUE: $1,999,402 CAD

Concluded range: $1,759,474 to $2,239,330 CAD | Overall risk rating: Moderate.

Contents

BUSINESS VALUATION

Atelier Nordik Millwork Inc.

Custom cabinetry & architectural millwork | Quebec, CA | 2026-07-29 | Ref: SAMPLE-0001

EXECUTIVE SUMMARY

CONCLUDED LOW	INDICATED VALUE	CONCLUDED HIGH
$1,759,474	**$1,999,402**	**$2,239,330**

ANNUAL REVENUE	EBITDA	SDE
$2,850,000	**$540,000**	**$698,000**

BASIS OF VALUE (CAD)

This report estimates the fair market value of Atelier Nordik Millwork Inc. using the standard market, income, and asset approaches to private-company valuation. The indicated value of $1,999,402 CAD is a weighted blend of the methods detailed on the following pages. All figures are in CAD and reflect the inputs supplied. This is a planning estimate, not a certified appraisal.

Overall risk rating: Moderate. Indicative seller asking range $1,999,402 - $2,239,330; buyer offer range $1,759,474 - $1,999,402 CAD.

BUSINESS PROFILE

Legal Name	**Atelier Nordik Millwork Inc.**
Operating / Trade Name	Atelier Nordik
Industry	Custom cabinetry & architectural millwork
Entity Type	Corporation
Location	QC (CA)
Years in Operation	14
Employees	11
Purpose of Valuation	Owner exit / sale planning
Valuation Date	2026-07-29

NORMALIZED EARNINGS

FROM REVENUE TO SELLER'S DISCRETIONARY EARNINGS (CAD)	
Revenue	**$2,850,000**
Less: Cost of Goods Sold	$1,420,000
Gross Profit	**$1,430,000**
Less: Operating Expenses	$890,000
Operating Income (EBIT)	**$470,000**
Add: Depreciation	$62,000
Add: Amortization	$8,000
EBITDA	**$540,000**
Add: Owner Compensation	$120,000
Add: Owner vehicle & personal insurance	$16,000
Add: One-time ERP implementation	$22,000
Seller's Discretionary Earnings (SDE)	**$698,000**

SDE adds one owner's total compensation and discretionary or non-recurring items back to EBITDA - the earnings a single owner-operator effectively receives. Net income for the period was $375,000.

VALUATION METHODS

METHOD	LOW	INDICATED	HIGH	WEIGHT
SDE Multiple	$1,256,400	$1,605,400	$1,954,400	28%
EBITDA Multiple	$1,512,000	$2,052,000	$2,592,000	22%
Revenue Multiple	$1,496,250	$1,995,000	$2,493,750	8%
Capitalization of Earnings	$2,250,000	$2,500,000	$2,750,000	18%
Discounted Cash Flow	$2,317,500	$2,575,000	$2,832,500	17%
Adjusted Net Asset Value	$693,500	$730,000	$766,500	7%
Weighted Indicated Value		**$1,999,402**		**100%**

SDE Multiple
Seller's Discretionary Earnings of $698,000 x a market multiple (1.8-2.8x).

EBITDA Multiple
EBITDA of $540,000 x an enterprise multiple (2.8-4.8x).

Revenue Multiple
Annual revenue of $2,850,000 x a revenue multiple (0.52-0.88x).

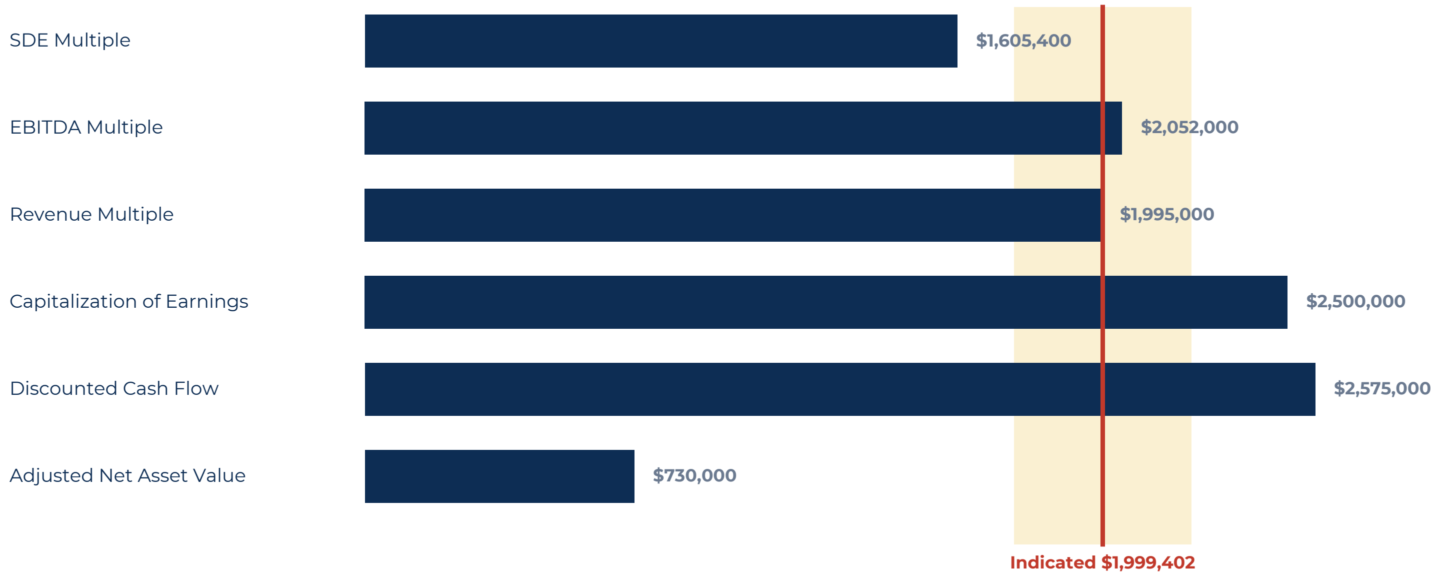
Capitalization of Earnings
Net earnings of $375,000 capitalized at 15.0% (discount 18.0% less growth 3.0%).

Discounted Cash Flow
5-year net-earnings projection at 3.0% growth, discounted at 18.0%, plus a Gordon-growth terminal value.

Adjusted Net Asset Value
Total assets of $1,240,000 less total liabilities of $510,000 (book value of equity).

WEIGHTED VALUATION CONCLUSION

Each method is weighted by its relevance to a business of this type and the reliability of its inputs, then blended into a single indicated value. The shaded band is the concluded range; the red line marks the indicated value.



IMPLIED MULTIPLES & FINANCIAL RATIOS

MULTIPLES IMPLIED BY THE INDICATED VALUE

Value / Revenue	0.7x
Value / EBITDA	3.7x
Value / SDE	2.86x
Value / Net Income (P/E)	5.33x

OPERATING & BALANCE-SHEET RATIOS

Gross Margin	50.2%
EBITDA Margin	18.9%
SDE Margin	24.5%
Net Margin	13.2%
Current Ratio (approx.)	5.17
Debt-to-Equity	0.70
Return on Equity	51.4%
Revenue per Employee	$259,091

INDUSTRY BENCHMARKING

VALUATION MULTIPLES VS INDUSTRY

MULTIPLE	YOUR ASSUMPTION	TYPICAL RANGE
SDE Multiple	2.3x	2.4-3.4x
EBITDA Multiple	3.8x	3.5-5.0x
Revenue Multiple	0.7x	0.55-0.95x

OPERATING MARGINS VS INDUSTRY

METRIC	YOUR BUSINESS	TYPICAL RANGE	ASSESSMENT
Gross Margin	50.2%	42-55%	In line
EBITDA Margin	18.9%	12-20%	In line
Net Margin	13.2%	6-13%	In line

Custom millwork and cabinetry shops in Canada currently transact in a fairly tight band: established shops with a commercial project pipeline typically change hands around 2.4-3.4x Seller's Discretionary Earnings and 3.5-5.0x EBITDA, with revenue multiples of roughly 0.55-0.95x depending on margin quality and backlog. Buyers in this sector pay up for a trained bench of cabinetmakers, CNC capability, repeat contractor relationships and a visible order book; they discount heavily for shops where the owner is the estimator, designer and lead installer all at once. At 50% gross margin and a 16% EBITDA margin, this business sits comfortably inside the healthy band for the trade, and its multiple assumptions are consistent with recent comparable transactions rather than optimistic outliers.

Source: Market comparison data compiled for this sample report (fictional example). (AI market research with web search)

RISK ANALYSIS

RISK SCORECARD (1 = LOW RISK, 5 = HIGH RISK)

RISK FACTOR	RATING (1-5)
Business size (revenue)	3 / 5
Profitability (EBITDA margin)	2 / 5
Leverage (debt / equity)	2 / 5
Liquidity (current ratio)	1 / 5
Operating history (years)	2 / 5
Owner dependence	3 / 5
Customer concentration	1 / 5
Revenue quality	3 / 5
Overall Risk Rating	**Moderate (2.17)**

DISCOUNT-RATE BUILD-UP

COMPONENT	RATE
Risk-free rate (CA government bond)	3.3%
Equity risk premium	5.5%
Size premium	4.0%
Specific-company / industry premium	5.2%
Discount Rate Applied	**18.0%**

SCENARIO & SENSITIVITY ANALYSIS

SCENARIO	INDICATED VALUE	VS BASE
Conservative	$1,607,442	-20%
Base	**$1,999,402**	**-**
Optimistic	$2,467,112	+23%

The Conservative case applies lower multiples, a higher discount rate and slower growth; the Optimistic case the reverse. The spread reflects how sensitive the value is to the key assumptions and to the risk factors identified above. Use the Base case as the working figure and the range as negotiating boundaries.

BUY / SELL RECOMMENDATION

INDICATIVE NEGOTIATING RANGES (CAD)

Concluded Fair Value	**$1,999,402**
Seller Asking Range	$1,999,402 - $2,239,330
Buyer Offer Range	$1,759,474 - $1,999,402

Based on the analysis, a fair market value of approximately $1,999,402 CAD is indicated. For a SALE, a realistic asking range is $1,999,402 to $2,239,330, leaving room to negotiate toward the indicated value. For a PURCHASE, an opening offer in the $1,759,474 to $1,999,402 range is supportable. At the indicated value the business is priced in line with the market, and with an overall risk rating of Moderate it represents a reasonable acquisition for a buyer who can manage the transition. Final price should follow verification of the earnings (a quality-of-earnings review) and confirmation that the add-backs are genuinely discretionary or non-recurring.

FINANCING & INVESTOR SUMMARY

ACQUISITION DEBT CAPACITY (CAD)

Maximum Supportable Debt	**$1,599,522**
Binding Constraint	Loan-to-value (80%)
Estimated Annual Debt Service	$312,497
Debt-Service Coverage (EBITDA)	1.73x
Implied Equity / Down Payment	$399,880 (20%)
Earnings Yield (SDE / price)	34.9%
Simple Payback	2.9 years

Assuming an acquisition loan at 8.5% over 7 years and a target debt-service coverage of 1.25x, the business can support about $1,599,522 of debt (constrained by loan-to-value (80%)), leaving roughly $399,880 (20%) of equity / down payment at the indicated price. Annual debt service of about $312,497 is covered 1.73x by EBITDA. For an investor, the business yields about 34.9% on SDE at the indicated price, an approximate 2.9-year simple payback. These are screening figures; an actual lender will set terms after its own review.

VALUATION CONCLUSION

Atelier Nordik Millwork presents as a solid, sellable trade business with an indicated value of approximately $1,999,402, inside a reasonable range of $1,759,474 to $2,239,330 CAD. The conclusion leans most heavily on the earnings-based approaches, because a buyer of a shop like this is fundamentally buying its cash flow: EBITDA of $540,000 and Seller's Discretionary Earnings of $698,000 on revenue of $2,850,000 represent margins in the upper half of the trade, and the asset-based value acts as a floor rather than a driver. Fourteen years of operating history, eleven employees and low customer concentration all support the upper half of the range; the moderate owner dependence pulls the other way, since the owner still quotes most large commercial jobs personally. The add-backs claimed are modest and defensible - a vehicle, personal insurance and a one-time ERP implementation - which is exactly the profile a buyer's accountant likes to see. The balance sheet is clean, with $730,000 in equity and working capital adequate for the current volume, so a transaction would not need an unusual injection of cash at closing. The most valuable pre-sale moves are documenting the estimating process, transitioning two or three key contractor relationships to the production manager, and locking the backlog into signed contracts, each of which converts owner goodwill into enterprise goodwill a buyer will pay for. A buyer will verify the earnings through a quality-of-earnings review and will test whether the margins hold on the jobs currently in progress. This figure is a planning estimate to frame negotiations and decisions, not a certified appraisal; a formal valuation by a qualified professional is recommended before a transaction.

KEY ASSUMPTIONS & DISCLAIMER

Country / Currency	Canada (CAD)
Long-term Growth Rate	3.0%
Discount Rate	18.0%
Capitalization Rate (discount - growth)	15.0%
SDE Multiple (mid)	2.3x
EBITDA Multiple (mid)	3.8x
Revenue Multiple (mid)	0.7x

JURISDICTION & TAX CONTEXT

As a business operating in Quebec, Canada, the company is generally subject to a combined federal and provincial corporate income tax rate in the range of roughly 23-31% on general active business income. A Canadian-controlled private corporation (CCPC) is typically eligible for the small-business deduction, reducing the combined rate to roughly 9-13% on the first ~$500,000 of active business income. The specific Quebec rate, CCPC eligibility, and the choice of an asset vs. share sale (including the lifetime capital gains exemption) should be confirmed with a CPA.