



RoofCo Example, Inc. Valuation

Confidential Valuation Analysis

Prepared For Rodney Roof
 Date May 2026
 Period of Review FY2023 – FY2025

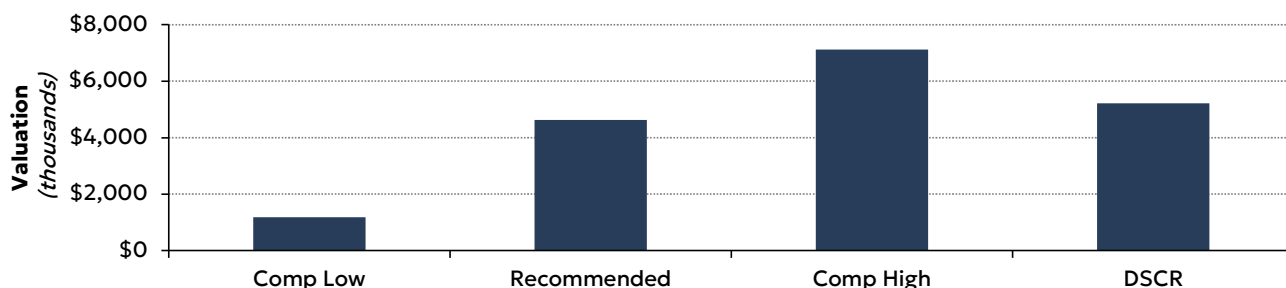
Executive Summary

Based on three years of financial review, RoofCo Example, Inc. generated a three-year average SDE of \$1,187,333. Drawing on a market-comp data set of similar businesses and the company's Quality Scorecard (avg 3.8 of 5), our recommended valuation is \$4,630,600 (3.90x SDE). The full comp range supports a value between \$1,187,333 and \$7,124,000. A separate debt-service-coverage cross-check — based on the cash flow available for loan payments and standard SBA financing terms — suggests a maximum supportable price of \$5,212,984. Together, these figures inform our recommended price.

Valuation Range

Method	Earnings Base	Multiple	Indicated Value	Notes
Comp Range — Low	\$ 1,187,333	1.00x	\$ 1,187,333	Lower bound (outliers excluded)
Recommended (Scorecard)	\$ 1,187,333	3.90x	\$ 4,630,600	Scorecard avg drives position
Comp Range — High	\$ 1,187,333	6.00x	\$ 7,124,000	Upper bound (outliers excluded)
DSCR-Indicated	"—"	"—"	\$ 5,212,984	Max financeable price at SBA terms

Valuation Summary



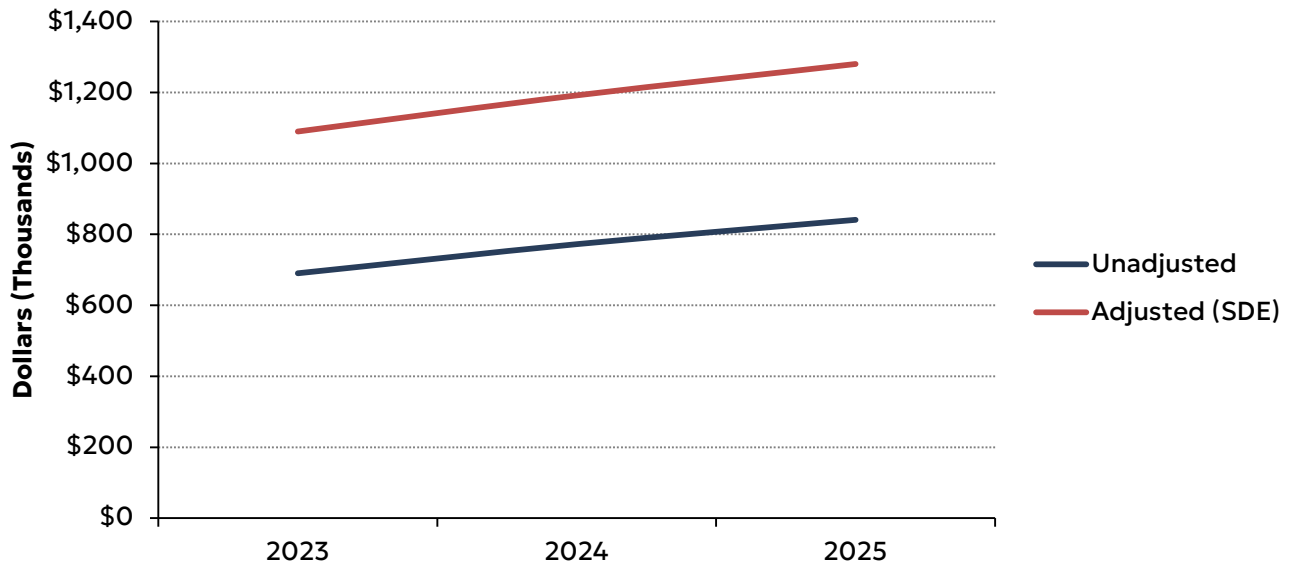
Areas of Opportunity

- JobNimbus Visibility and Pipeline Discipline.** RoofCo uses JobNimbus for job tracking, but many estimates and change orders are still managed offline. Tightening adoption — every lead, estimate, and job logged in JobNimbus with consistent stages and dollar values — would give a buyer real visibility into the sales pipeline and demonstrate scalable, system-driven
- More Accurate COGS Reporting and Job Costing.** Materials and labor are tracked at the company level rather than per job. Implementing per-job COGS — materials, subcontractor labor, dump fees, equipment time — would surface gross margin by service line and crew, and turn job-level margin into a managed KPI rather than a year-end average.
- Crew Capacity and Second-Tier Leadership.** The owner remains the primary point of contact for crew scheduling, problem jobs, and key customer relationships. Hiring or promoting a production manager and a second-tier operations lead would reduce transition risk to a buyer and free the owner to focus on growth and customer development.

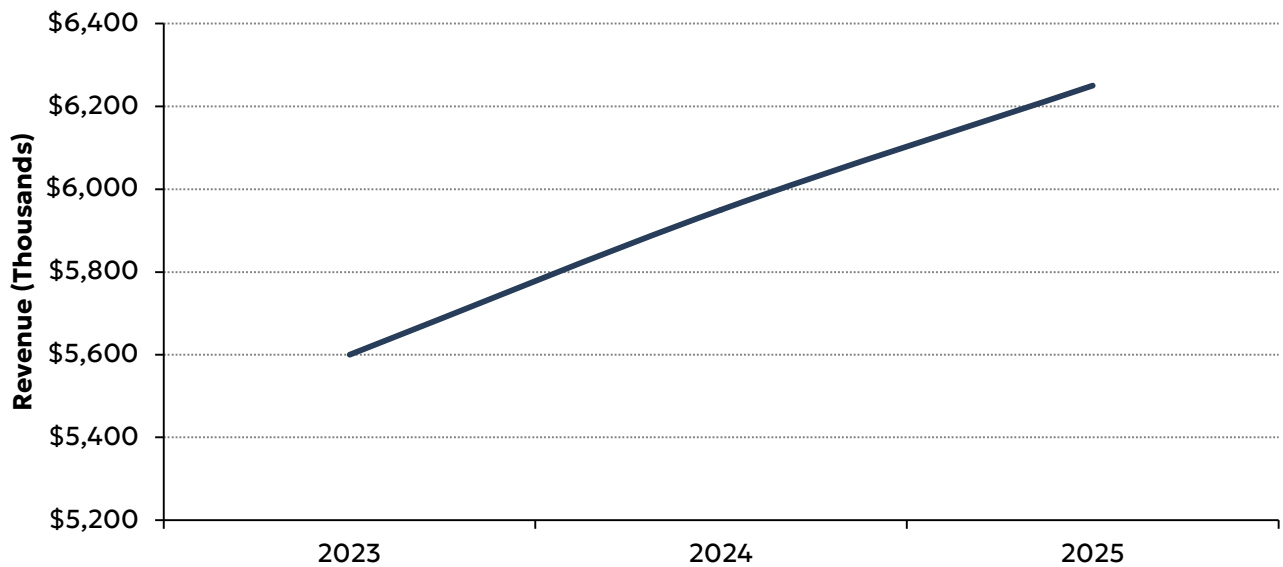
Financial Performance

This page summarizes top-line revenue and bottom-line earnings (Adjusted vs. Unadjusted) across the period under review. Adjusted earnings (SDE or EBITDA, depending on the engagement) reflects the standard add-backs commonly applied in valuation: depreciation, amortization, interest expense, owner compensation and benefits (in SDE mode), and discretionary or one-time items. The Unadjusted line shows reported net income before any of those normalizations.

Earnings Trend



Revenue Trend



Market Comparables

This page summarizes private-market transactions of similar businesses, drawn from a national database of completed sales filtered by industry and revenue size. The Low and High range below excludes statistical outliers (the highest and lowest extremes) so the range reflects typical deal economics rather than unusual one-off transactions. The selected examples are representative samples chosen for similarity to your business — the full analysis draws on the entire filtered data set, not just these selected examples.

Source BVR DealStats / ValuSource Market Comps Export
 Industry / NAICS 238160 Roofing Contractors (residential & commercial)
 Comps in Filtered Data Set 38

Comp Range — Outliers Excluded

	P / Revenue	P / SDE	P / EBITDA
Low	0.15x	1.00x	1.25x
Median	0.52x	2.50x	3.00x
High	1.43x	6.00x	7.20x

Selected Representative Comps

#	Description	Revenue	SDE	Sale Price	P/Rev	P/SDE	Year
1	Residential Roofing Contractor	5,500,000	950,000	2,850,000	0.52x	3.00x	2025
2	Roofing & Sheet Metal Contractor	6,800,000	1,150,000	3,680,000	0.54x	3.20x	2025
3	Commercial Roofing Specialist	8,500,000	1,400,000	5,040,000	0.59x	3.60x	2024
4	Residential Re-Roof Operator (TN)	4,200,000	720,000	1,800,000	0.43x	2.50x	2024
5	Storm Restoration Contractor (FL)	7,800,000	1,300,000	5,200,000	0.67x	4.00x	2024
6	Roof Repair & Maintenance (AL)	3,500,000	580,000	1,450,000	0.41x	2.50x	2023
7	Commercial Roofing & Coatings	9,200,000	1,500,000	5,250,000	0.57x	3.50x	2023
8	Multi-Trade Roofing & Gutters	6,100,000	1,050,000	3,150,000	0.52x	3.00x	2023
9	Storm Damage Restoration (OK)	5,800,000	980,000	4,900,000	0.84x	5.00x	2022
10	Residential Roofing & Solar (NC)	7,000,000	1,200,000	4,800,000	0.69x	4.00x	2022

Note: The Low/High range above is computed from the entire filtered data set (not just these 10 selected examples), with outliers removed using the standard Tukey method. The selected comps shown here are illustrative — chosen for similarity to your business in industry, size, and geography.

Earnings Multiple Valuation

This page applies a multiple to the company's earnings to estimate its market value. The earnings figure (SDE or EBITDA) is averaged across the period under review. The Low and High multiples come from the comp range on the prior page (with outliers excluded). The recommended multiple is positioned within that range based on the Quality Scorecard — a higher score moves the multiple toward the top of the range, a lower score moves it toward the bottom.

Earnings Base

Earnings Mode	SDE
Year 1 Earnings	\$ 1,090,000
Year 2 Earnings	\$ 1,192,000
Year 3 Earnings (Annualized)	\$ 1,280,000
3-Year Average / Weighted Earni	\$ 1,187,333

Valuation Summary

Method	Earnings Base	Multiple	Indicated Value	Notes
Comp Range — Low	\$ 1,187,333	1.00x	\$ 1,187,333	<i>Bottom of comp range (outliers excluded)</i>
Recommended (Scorecard-driven)	\$ 1,187,333	3.90x	\$ 4,630,600	<i>Comp median ± scorecard-weighted std dev</i>
Comp Range — High	\$ 1,187,333	6.00x	\$ 7,124,000	<i>Top of comp range (outliers excluded)</i>

Why This Multiple

The recommended multiple of 3.90x reflects the company's Quality Scorecard average of 3.8 out of 5. Scorecard scoring covers bookkeeping quality, tax-return profitability, sales infrastructure, management depth, and customer concentration. A score of 3.0 anchors at the comp median; a perfect score of 5 reaches the displayed Comp Range High; a score of 1 reaches the Comp Range Low. Linear interpolation across the IQR-trimmed comp range.

Debt Service Coverage Ratio (DSCR) Cross-Check

This page estimates the maximum price a typical buyer could finance using a Small Business Administration (SBA) 7(a) loan while still meeting the bank's required Debt Service Coverage Ratio (DSCR). The DSCR is the ratio of cash flow available for loan payments to the actual loan payment — banks typically require a minimum of 1.25x to 1.50x. Cash Flow for Loan Payments below is the SDE (or EBITDA) available after a buyer has paid themselves a reasonable salary. The result is a useful sanity check on what a buyer is actually able to pay for the business given current interest rates and loan terms — it does not represent the value of the business, only what's financeable.

Cash Flow for Loan Payments

Year 1 Cash Flow	\$	1,090,000	
Year 2 Cash Flow	\$	1,192,000	
Year 3 Cash Flow (Annualized)	\$	1,280,000	
3-Year Average Cash Flow	\$	1,187,333	<i>Used as denominator below</i>

Loan Terms

Annual Interest Rate	11.5%	<i>Quoted SBA rate, prime + spread</i>
Amortization (Years)	10	<i>SBA 7(a): 10 yrs (goodwill); 25 yrs (real estate)</i>
Required DSCR	1.50x	<i>Bank minimum, typically 1.25x - 1.50x</i>
Buyer Equity Down %	10.0%	<i>Buyer cash contribution</i>

Indicated Maximum Price

Annual Loan Payment Capacity	\$	791,556	
Maximum Loan Amount Supported	\$	4,691,686	
Buyer Equity Contribution	\$	521,298	
Indicated Maximum Price (Loan + Equity)	\$	5,212,984	

Additional Notes & Methodology

Methods Used

This valuation applies two complementary methods commonly used for main-street businesses: an earnings-multiple approach and a debt-service-coverage cross-check. Together they triangulate a defensible price range.

Earnings Multiple Approach

The earnings-multiple approach values the business as a multiple of its discretionary earnings (SDE) or operating earnings (EBITDA), benchmarked against private-market transactions of similar businesses by industry and size. We exclude statistical outliers from the comp range to reflect typical, not extreme, deal economics.

Debt Service Coverage Cross-Check

The debt-service-coverage cross-check estimates the maximum price a buyer could finance using standard SBA terms while still meeting the bank's required Debt Service Coverage Ratio (DSCR). It is a useful sanity check on what a typical buyer is actually able to pay.

Quality Scorecard

We position the recommended multiple within the comp range based on a Quality Scorecard scoring five criteria: bookkeeping quality, tax-return profitability, sales infrastructure, management depth, and customer concentration. Higher scorecard averages translate to a higher position in the comp range.

Risks & Caveats

Risks and caveats common to main-street valuations include: dependence on owner relationships that may not transfer to a buyer; customer concentration that can erode value rapidly if a key account is lost; commingled owner expenses requiring add-backs that may be challenged by a buyer; and macroeconomic shifts (interest rates, labor costs, demand cycles) that can move private-market multiples meaningfully. The recommended price range here reflects a snapshot and should be revisited if market conditions change materially.

Disclaimer & Limitations

This document is a non-certified opinion of value prepared by Legacy Entrepreneurs as a brokerage analysis to inform discussions about a potential sale, purchase, or strategic decision regarding the subject business. It is not a certified appraisal and is not intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP), the IRS Business Valuation Guidelines, or any professional standards of the AICPA, NACVA, ASA, or comparable certifying bodies. The author is not a Certified Public Accountant, a Certified Valuation Analyst, an Accredited Senior Appraiser, a tax attorney, or a licensed broker-dealer, and nothing in this document should be construed as legal, tax, accounting, or investment advice.

This analysis is based exclusively on financial statements, tax returns, and other information provided by the business owner and on commercially available market-comparable transaction data. Legacy Entrepreneurs has not independently audited, verified, or attested to the accuracy or completeness of any information used in this analysis. The owner is solely responsible for the accuracy and completeness of information furnished, and material misstatements, omissions, or subsequent changes — including but not limited to undisclosed liabilities, contingent obligations, regulatory issues, customer-concentration risks, key-person dependencies, related-party arrangements, or pending litigation — may materially alter the conclusions reached.

Multiples and ratios derived from market-comparable transactions are statistical summaries of past private-market deals and are not predictive of future transaction prices. Discount rates, interest rates, financing terms, deal structures, and buyer demand vary materially and change over time. Forward-looking statements (including projections of revenue, earnings, or value) are inherently uncertain and should not be relied upon as guarantees. The actual price at which the business may transact, if at all, may differ materially from the figures presented here based on negotiation, buyer financing constraints, working-capital adjustments, deal structure (asset versus stock sale), tax treatment, and prevailing market conditions at time of sale.

structure (asset versus stock sale), tax treatment, and prevailing market conditions at time of sale.

This document is provided for the exclusive use of the recipient identified on the cover page and is not intended to be relied upon by any third party — including but not limited to lenders, investors, creditors, partners, the Internal Revenue Service, courts of any jurisdiction, opposing parties in litigation, divorce proceedings, estate proceedings, ESOP transactions, gift- or estate-tax filings, or buy-sell determinations. No third party has any right to rely on this analysis, and Legacy Entrepreneurs disclaims any duty to or relationship with any such third party.

TO THE FULLEST EXTENT PERMITTED BY LAW, LEGACY ENTREPRENEURS DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, OR NON-INFRINGEMENT. IN NO EVENT SHALL LEGACY ENTREPRENEURS, ITS PRINCIPALS, AGENTS, OR AFFILIATES BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, OR FOR LOST PROFITS, LOST OPPORTUNITY, OR DIMINUTION IN VALUE, ARISING OUT OF OR IN CONNECTION WITH THIS DOCUMENT OR ANY DECISION MADE IN RELIANCE UPON IT. LIABILITY, IF ANY, IS STRICTLY LIMITED TO THE FEES PAID FOR PREPARATION OF THIS ANALYSIS.

Recipients are strongly encouraged to consult with their own qualified Certified Public Accountant, tax attorney, business attorney, certified valuation professional, and financial advisor before making any decision based in whole or in part on this document. By