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SAMPLE

BUSINESS VALUATION REPORT

Aurelia Precision Components Private Limited

(Fictional Company for Illustrative Purposes)

Purpose

Investor Fundraising & Equity Dilution Discussion

Valuation Date

31 March 2026

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EXECUTIVE SUMMARY

Indicative Valuation at a Glance

This page summarises the illustrative valuation conclusion. All figures are fictional and stated in Rs crore unless otherwise noted.

DCF ENTERPRISE VALUE
Rs 184.2 Cr

MARKET APPROACH EV
Rs 162.0 Cr

CONCLUDED ENTERPRISE VALUE
Rs 175.3 Cr

NET DEBT
Rs 22.0 Cr

INDICATIVE EQUITY VALUE
Rs 153.3 Cr

ILLUSTRATIVE INVESTOR DILUTION
11.5%

Valuation conclusion

The illustrative valuation uses a 60% weighting to DCF and 40% weighting to an EBITDA multiple approach, resulting in an enterprise value of approximately Rs 175.3 Cr. After adjusting for illustrative net debt of Rs 22.0 Cr, the resulting equity value is approximately Rs 153.3 Cr.

Important sample notice

This report has been created only to demonstrate the structure and analytical depth of a professional business valuation report. The company name, business profile, financial information, projections, valuation assumptions and conclusions are entirely illustrative. This document must not be used as a statutory valuation, tax valuation, legal opinion, fairness opinion, investment recommendation or substitute for a purpose-specific professional engagement.

Illustrative transaction context

Item	Illustrative assumption
Business	Precision engineering components manufacturer
Location	Central India
FY26 revenue	Rs 112.0 Cr
Normalised FY26 EBITDA	Rs 18.0 Cr
Proposed equity raise	Rs 20.0 Cr
Primary purpose	Investor fundraising and dilution discussion

COMPANY & ASSIGNMENT OVERVIEW

Understanding the Business Before Applying a Valuation Method

A valuation starts with the economics of the business, not with a predetermined multiple.

Illustrative company profile

Aurelia Precision Components Private Limited is a fictional manufacturer of precision-machined components supplied to industrial equipment, auto-component and engineering customers. The sample company is assumed to operate one manufacturing facility with CNC machining, heat-treatment outsourcing and in-house quality inspection.

Business characteristics

- Diversified B2B customer base
- Repeat order profile with approved-vendor relationships
- Moderate working-capital intensity
- Ongoing capacity expansion
- Improving EBITDA margin through scale and product mix

Assignment parameter	Illustrative position
Purpose	Investor fundraising
Valuation date	31 March 2026
Basis	Going concern
Currency	Indian Rupees
Unit	Rs crore
Primary approaches	DCF + EBITDA multiple
Forecast period	FY27 to FY31

Scope of this illustrative analysis

Included	Not included in this sample
Historical financial analysis	Legal due diligence
Normalised EBITDA illustration	Tax opinion
Five-year projections	Asset-specific registered valuation
DCF valuation	Fairness opinion
EBITDA multiple cross-check	Transaction documentation
Sensitivity analysis	Investment recommendation
Equity dilution illustration	Guarantee of investor acceptance

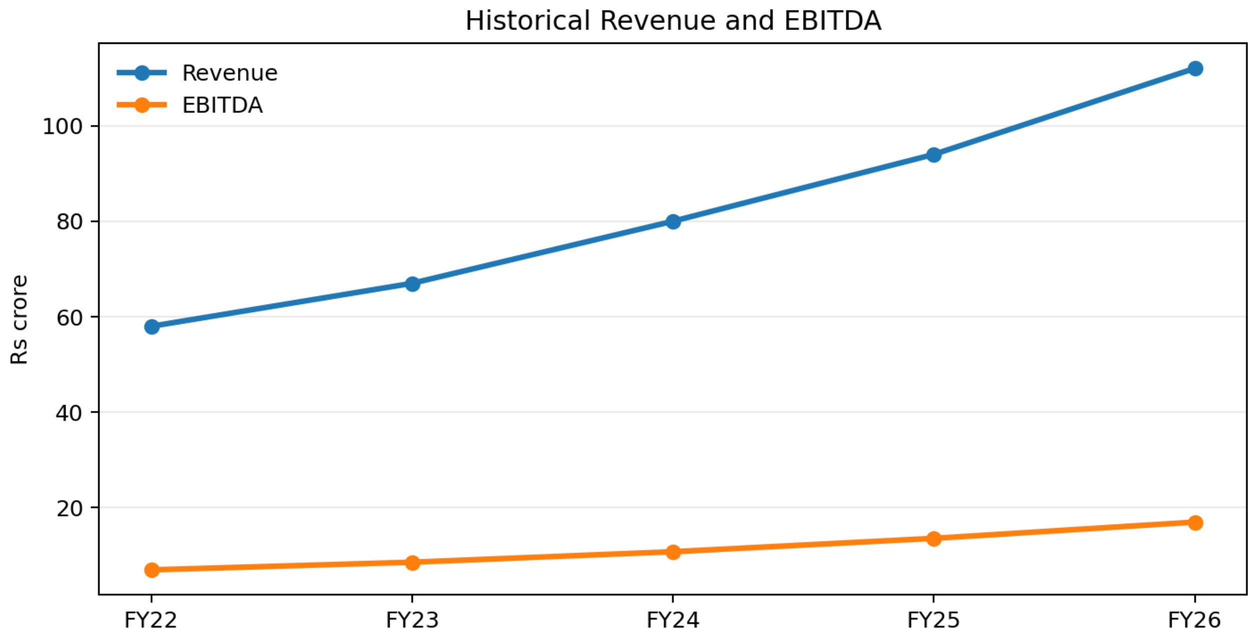
Purpose matters

The professional or regulatory form of a valuation may differ depending on the transaction and applicable law. A statutory requirement may call for an appropriately authorised or registered professional. This sample demonstrates business valuation analysis only.

HISTORICAL FINANCIAL ANALYSIS

Revenue Growth Accompanied by Margin Expansion

Historical performance is reviewed to understand scale, profitability, operating trends and the sustainability of earnings.



Rs crore	FY22	FY23	FY24	FY25	FY26
Revenue	58.0	67.0	80.0	94.0	112.0
EBITDA	7.0	8.6	10.8	13.6	17.0
EBITDA Margin	12.1%	12.8%	13.5%	14.5%	15.2%
PAT	2.8	3.5	4.6	6.0	8.2

REVENUE CAGR FY22-FY26

17.9%

FY26 EBITDA MARGIN

15.2%

FY26 PAT

Rs 8.2 Cr

Illustrative observations

Revenue is assumed to have increased from Rs 58.0 crore in FY22 to Rs 112.0 crore in FY26, while EBITDA margin improves from 12.1% to 15.2%. The combination of scale, product-mix improvement and operating leverage is assumed to support the expanding margin profile. A real engagement would also test customer concentration, capacity constraints, seasonality, working-capital intensity and the quality of reported earnings.

NORMALISED EBITDA

Separating Sustainable Earnings from One-Time Items

Market-multiple valuation generally works better when the earnings base reflects maintainable operations rather than exceptional items.

Adjustment	Rs Cr	Treatment	Rationale
Reported FY26 EBITDA	17.0	Starting point	As per illustrative management accounts
Add: one-time plant commissioning cost	0.8	Add back	Non-recurring expansion-related cost
Add: exceptional recruitment / relocation cost	0.5	Add back	Assumed non-recurring
Less: non-operating one-time income	(0.3)	Deduct	Not part of sustainable operating earnings
Normalised FY26 EBITDA	18.0		Maintainable earnings base for sample market approach

REPORTED EBITDA

Rs 17.0 Cr

NET ADJUSTMENTS

Rs 1.0 Cr

NORMALISED EBITDA

Rs 18.0 Cr

Why normalisation requires judgement

Normalisation is not a mechanical exercise. A real valuation would examine whether an item is genuinely non-recurring, whether promoter or related-party costs are at market levels, whether there are under-recorded operating costs, and whether accounting classification is consistent with the economic substance of the business.

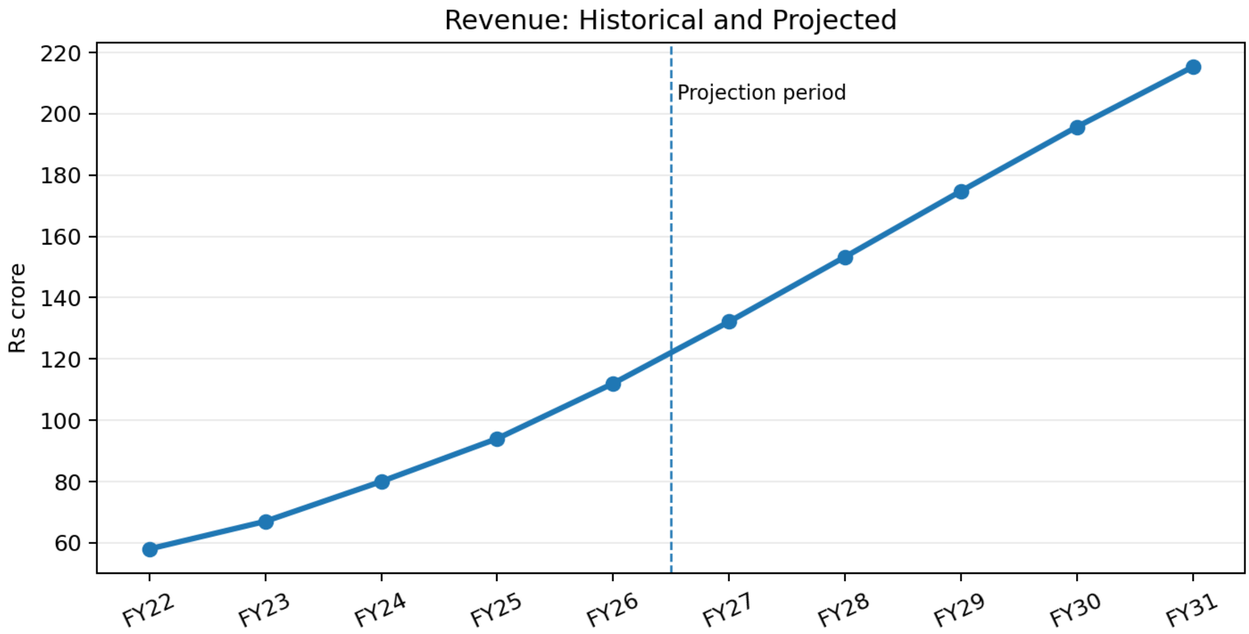
Conservative principle

Adjustments should not be used merely to increase valuation. Each adjustment should have a business rationale, documentary support and a clear relationship to maintainable earnings.

FINANCIAL PROJECTIONS

Illustrative Five-Year Operating Forecast

Forward-looking valuation depends heavily on the quality and reasonableness of financial assumptions.



Rs crore	FY27	FY28	FY29	FY30	FY31
Revenue	132.2	153.3	174.8	195.7	215.3
Growth	18.0%	16.0%	14.0%	12.0%	10.0%
EBITDA	21.4	26.1	31.1	36.2	40.9
EBITDA Margin	16.2%	17.0%	17.8%	18.5%	19.0%
FCFF	9.1	11.7	14.6	17.7	20.7

Key assumption	Illustrative basis
Revenue growth	18% in FY27 tapering to 10% by FY31
EBITDA margin	16.2% in FY27 rising to 19.0% by FY31
D&A;	3.0% of revenue
Capital expenditure	4.5% of revenue
Tax rate	25%
Incremental working capital	10% of annual revenue increase

DISCOUNTED CASH FLOW METHOD

Valuing the Present Value of Future Free Cash Flow

DCF estimates enterprise value by discounting forecast free cash flow to the valuation date and adding the present value of a terminal value.

FCFF = NOPAT + D&A; - Capex - Increase in NWC

Rs crore	FY27	FY28	FY29	FY30	FY31
EBIT	17.4	21.5	25.9	30.3	34.5
NOPAT	13.1	16.1	19.4	22.8	25.8
Add: D&A;	4.0	4.6	5.2	5.9	6.5
Less: Capex	5.9	6.9	7.9	8.8	9.7
Less: Increase NWC	2.0	2.1	2.1	2.1	2.0
FCFF	9.1	11.7	14.6	17.7	20.7

Interpretation

The sample forecast assumes free cash flow grows from approximately Rs 9.1 crore in FY27 to Rs 20.7 crore in FY31. In a real valuation, each operating assumption would be tested for consistency with capacity, market demand, customer pipeline, working-capital cycle, financing structure and capital-expenditure requirements.

DCF is sensitive to assumptions

A small change in long-term growth, discount rate, margin or capital intensity can materially alter the valuation. This is why sensitivity analysis is an essential part of a decision-ready report.

DISCOUNT RATE & TERMINAL VALUE

Illustrative WACC of 13.5% and Terminal Growth of 5.0%

The discount rate reflects the time value of money and the risk of the projected cash flows.

Component	Illustrati
Risk-free rate	6.8%
Equity risk premium	6.5%
Beta	1.10x
Company / size risk premium	1.0%
Cost of equity	14.95%
Pre-tax cost of debt	10.5%
Post-tax cost of debt	7.88%
Target capital structure	80% equity / 20% debt
Illustrative WACC	13.5%

Terminal value parameter	Illustrative assumptio
FY31 FCFF	Rs 20.7 Cr
Terminal growth	5.0%
WACC	13.5%
Gordon Growth TV	Rs 255.1 Cr
PV factor (Year 5)	0.531x
Present value of TV	Rs 135.4 Cr

Terminal value concentration

In this illustration, the present value of terminal value is approximately 74% of DCF enterprise value. A high terminal-value contribution is common in growth businesses but also increases sensitivity to long-term assumptions.

Professional judgement areas

A real WACC assessment may require consideration of market yields, peer betas, capital structure, company-specific risk, country risk, business size, liquidity and the reliability of projections. The terminal growth rate should remain economically sustainable and consistent with the long-term characteristics of the market being served.

DCF VALUATION RESULT

Illustrative Enterprise Value of Rs 184.2 Crore

The enterprise value below combines the present value of explicit forecast cash flows and the present value of terminal value.

DCF component	Rs Cr
PV of FY27-FY31 FCFF	48.7
PV of terminal value	135.4
DCF enterprise value	184.2

PV of FCFF
48.7

+

PV of Terminal
135.4

=

DCF EV
184.2

Cross-checking the result

DCF produces a forward-looking view of value. It should normally be cross-checked against market evidence where appropriate, because forecast assumptions can be optimistic or conservative and because private-company risk may differ materially from public-market benchmarks.

MARKET MULTIPLE APPROACH

EBITDA Multiple Cross-Check

The market approach uses maintainable earnings and an appropriate valuation multiple as a reasonableness check against the DCF result.

Illustrative multiple	Normalised EBITDA	Enterprise Value
8.5x	Rs 18.0 Cr	Rs 153.0 Cr
9.0x	Rs 18.0 Cr	Rs 162.0 Cr
9.5x	Rs 18.0 Cr	Rs 171.0 Cr

SELECTED MULTIPLE
9.0x

NORMALISED EBITDA
Rs 18.0 Cr

MARKET APPROACH EV
Rs 162.0 Cr

What influences the multiple?

Can support a higher multiple	Can support a lower multiple
Strong organic growth	Customer concentration
High and stable margins	High leverage
Recurring / sticky revenue	Promoter dependence
Strong governance and systems	Volatile earnings
Scalable capacity	Weak working-capital conversion
Defensible market position	Limited visibility on future demand

Illustrative multiple only

The 9.0x multiple in this report is not a market quote and is not intended to represent any specific sector benchmark. In a live engagement, comparable-company and transaction evidence would need to be sourced, adjusted and assessed for relevance.

VALUATION CONCLUSION

Reconciling DCF and Market Evidence

The sample conclusion applies a weighted approach to balance forward-looking cash-flow value with a market-based cross-check.

Approach	Enterprise Value	Weight	Weighted Value
DCF	Rs 184.2 Cr	60%	Rs 110.5 Cr
EBITDA multiple	Rs 162.0 Cr	40%	Rs 64.8 Cr
Concluded enterprise value		100%	Rs 175.3 Cr

Enterprise-to-Equity Bridge	Rs Cr
Concluded enterprise value	175.3
Less: gross debt	(25.0)
Add: cash & cash equivalents	3.0
Indicative equity value	153.3

CONCLUDED EV

Rs 175.3 Cr

NET DEBT

Rs 22.0 Cr

INDICATIVE EQUITY VALUE

Rs 153.3 Cr

A valuation is a range, not a promise

A negotiated transaction price may be above or below an analytical valuation because of control rights, minority position, liquidity, strategic value, due diligence findings, investor appetite, transaction structure and negotiation dynamics.

SENSITIVITY ANALYSIS

How WACC and Terminal Growth Change DCF Value

Sensitivity analysis helps identify how dependent the valuation is on key long-term assumptions.

WACC / g	4.0%	4.5%	5.0%	5.5%	6.0%
12.5%	190.3	199.8	210.5	222.8	237.0
13.0%	178.9	187.2	196.5	207.1	219.1
13.5%	168.7	176.0	184.2	193.3	203.7
14.0%	159.6	166.0	173.2	181.2	190.2
14.5%	151.3	157.1	163.4	170.4	178.3

Interpretation of the matrix

At the illustrative base case of 13.5% WACC and 5.0% terminal growth, DCF enterprise value is approximately Rs 184.2 crore. A 1.0 percentage point increase in WACC combined with a lower terminal growth assumption can reduce the result materially, while a lower WACC and higher terminal growth can increase it. The sensitivity range is a reminder that valuation conclusions should be interpreted in the context of assumptions rather than as a single absolute number.

Illustrative operating sensitivity

FY31 EBITDA Margin / Revenue Case	90% of Base Revenue	Base Revenue	110% of Base Revenue
18.0%	Rs 148.0 Cr	Rs 160.0 Cr	Rs 172.0 Cr
19.0%	Rs 160.0 Cr	Rs 175.0 Cr	Rs 190.0 Cr
20.0%	Rs 173.0 Cr	Rs 190.0 Cr	Rs 207.0 Cr

FUNDRAISING & EQUITY DILUTION

Connecting Valuation to Promoter Ownership

For fundraising, the promoter often needs to understand not only valuation, but also what percentage of the company may be issued to the investor.

Item	Illustrative amount
Pre-money equity value	Rs 153.3 Cr
New investment	Rs 20.0 Cr
Post-money equity value	Rs 173.3 Cr
Indicative investor ownership	11.5%
Indicative promoter / existing ownership	88.5%

Alternative dilution scenarios

Pre-money valuation	Investment	Investor ownership	Existing owners
Rs 130 Cr	Rs 20 Cr	13.3%	86.7%
Rs 150 Cr	Rs 20 Cr	11.8%	88.2%
Rs 170 Cr	Rs 20 Cr	10.5%	89.5%

Pre-money vs post-money

Investor ownership is generally calculated by dividing the new investment by post-money value, subject to the actual security terms, pre-transaction restructuring, option pools, convertibles and other rights. A term sheet can therefore produce a different effective dilution than a simple headline calculation.

What a promoter should evaluate

Beyond headline dilution, an investor proposal may include board rights, liquidation preference, anti-dilution provisions, founder vesting, reserved matters, performance milestones and future funding obligations. These commercial terms can materially affect economics even when the headline valuation appears attractive.

VALUE DRIVERS & RISK FACTORS

What Could Increase or Reduce Business Value?

A useful valuation should identify the commercial and financial factors that support - or constrain - the conclusion.

Potential value drivers	Potential valuation risks
Sustained double-digit revenue growth	Customer concentration
Margin expansion through scale	Dependence on key promoters / technicians
Higher share of value-added components	Raw-material and energy volatility
Long-term approved-vendor relationships	Working-capital stretch
Capacity expansion with existing demand visibility	Execution risk in new capacity
Improved cash conversion	Higher-than-planned capex
Diversification into export / new sectors	Cyclicality in end-user industries
Stronger systems, MIS and governance	Regulatory / quality compliance failures

Illustrative value creation priorities

Priority	Why it matters for valuation
Improve customer diversification	Reduces concentration risk and may support stronger market multiples
Sustain EBITDA margin above 17%	Supports cash generation and improves both DCF and market approach value
Control working-capital days	Converts accounting profit into free cash flow
Demonstrate capex productivity	Supports projected growth without disproportionate reinvestment
Strengthen management depth	Reduces promoter dependence and execution risk
Improve monthly MIS and forecasts	Increases confidence in forward-looking assumptions

Valuation is dynamic

Business value can change materially as profitability, growth visibility, financing, market conditions and transaction terms change. A valuation is always linked to a particular valuation date and purpose.

IMPORTANT ASSUMPTIONS & LIMITATIONS

How This Sample Should - and Should Not - Be Used

This final page is intentionally explicit because a professional valuation report should communicate the limits of the analysis.

01 Fictional data: The company, customers, operations, historical figures, forecasts and assumptions in this document are fictional.

02 No verification engagement: No audit, review, due diligence or independent verification has been performed on the illustrative information.

03 No statutory certification: This sample is not a valuation report issued under any specific statute, regulation or prescribed professional framework.

04 No investment advice: Nothing in this sample should be interpreted as a recommendation to invest, buy, sell or hold any security or business interest.

05 No transaction guarantee: An analytical valuation does not guarantee an investor, buyer, lender or other party will accept the conclusion.

06 Purpose-specific engagement required: A live assignment must be scoped according to the exact purpose, applicable legal requirements and available information.

DISCUSS A BUSINESS VALUATION REQUIREMENT

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Professional fee for Business Valuation Services starts from Rs 25,000. Final scope and fee depend on purpose, complexity and information available.