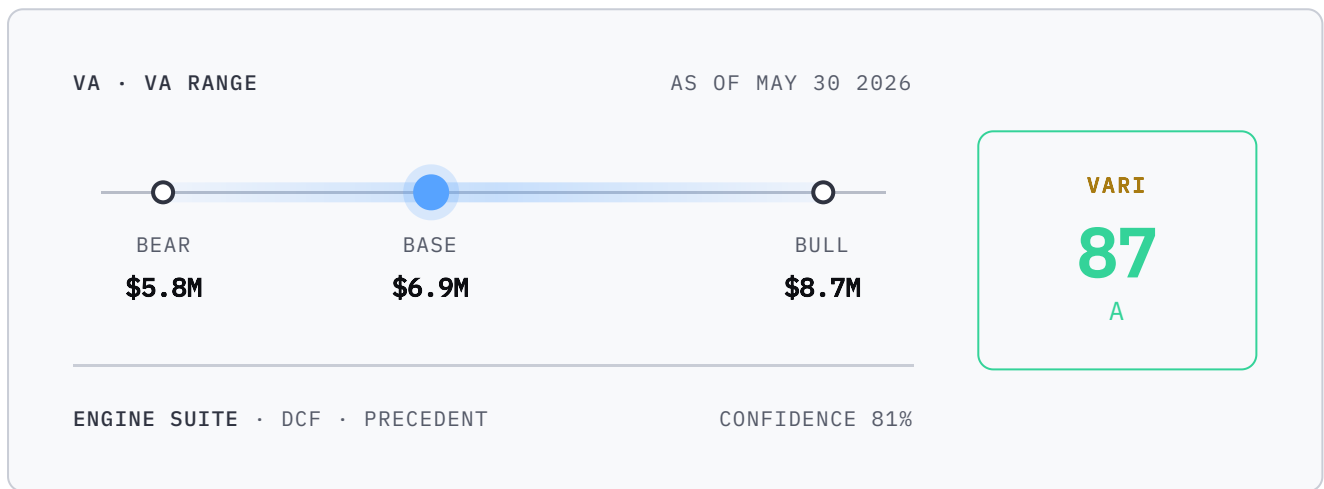


VA · CRCH · NAICS 236118

CRCH

Cedar Ridge Custom Homes



§ 01 COMPANY SNAPSHOT

What the business is, in one paragraph.

Residential custom-home builder and remodeler, established 2009. Primary and second-home clientele across a Mountain West resort region. Operates from a single owned office and shop.

INDUSTRY NAICS 236118 · Residential Remodelers	BUSINESS TYPE B2B
REVENUE MODEL Service	RECURRENCE Project-based
DELIVERY Service · Field	GEOGRAPHY United States · Mountain West

§ 02 FOOTBALL FIELD

Per-engine value ranges, blended into the headline VA Range.

\$5.3M \$6.9M \$8.5M \$10.1M \$11.8M

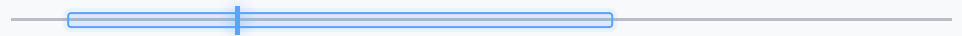
DCF



PRECEDENT



VA RANGE



§ 03 DCF

Five-year free-cash-flow projection at the stated WACC.

DCF projects unlevered free cash flow over five years, discounts to present value at the stated WACC, and adds a terminal value computed by the Gordon Growth method. Result is enterprise value; net debt is subtracted to derive equity value.

GROWTH · Y1

3.0%

EBITDA MARGIN

25.3%

WACC

18.0%

TERMINAL GROWTH

2.5%

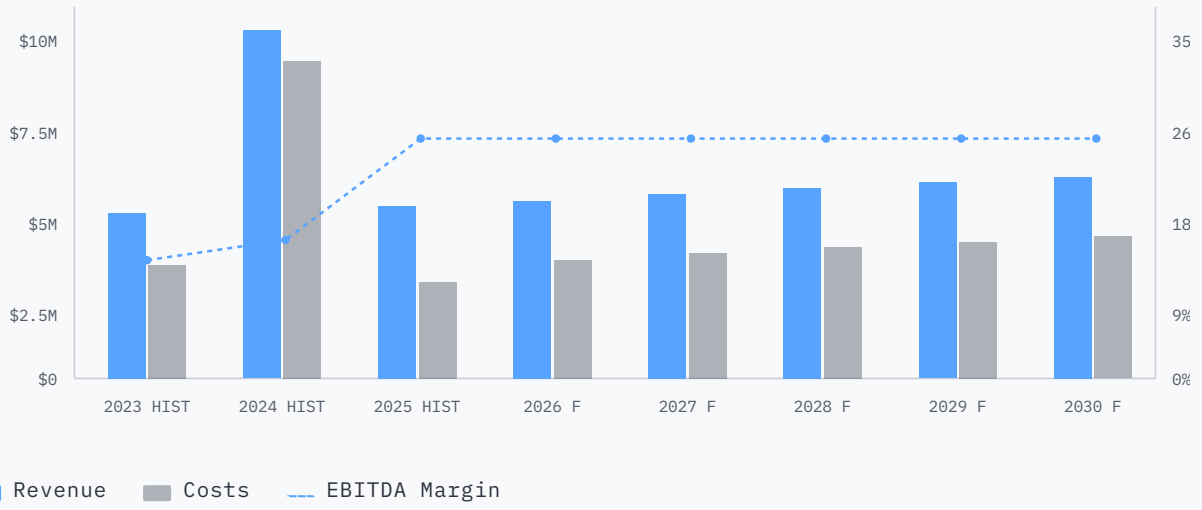
DCF · ENTERPRISE TO EQUITY VALUE

LINE ITEM	VALUE
PV of forecast FCF	\$3.9M
PV of terminal value	\$3.9M
Enterprise value	\$7.8M
Less: net debt	(\$1.0M)
Equity value	\$8.8M

DCF range across sensitivity bands: \$6.5M to \$11.5M.

§ 04 OPERATING PERFORMANCE

Revenue, costs, and EBITDA margin · 2023 – 2030.



Source: company financials FY 2023-25; engine forecast FY 2026-30.

FORECAST · BASE CASE · 2026 – 2030

METRIC	2026	2027	2028	2029	2030
Revenue	\$6.2M	\$6.4M	\$6.6M	\$6.8M	\$7.0M
Growth	3.0%	3.0%	3.0%	3.0%	3.0%
EBITDA margin	25.3%	25.3%	25.3%	25.3%	25.3%
EBITDA	\$1.6M	\$1.6M	\$1.7M	\$1.7M	\$1.8M
Costs	\$4.6M	\$4.8M	\$4.9M	\$5.1M	\$5.2M
Free cash flow	\$1.2M	\$1.2M	\$1.3M	\$1.3M	\$1.3M

§ 05 COMPARABLE COMPANIES

Engine excluded from this engagement.

Zero peers met the inclusion threshold ($\geq 50\%$ NAICS overlap, revenue within $\pm 2\times$ of the subject, public reporting within 18 months). The Comparable Companies engine was excluded from the blend; weight was redistributed to DCF and Precedent. Engine returns to scope when the next VA Index sector slice (236118 · Residential Remodelers) publishes on the first Tuesday of June.

§ 06 PRECEDENT TRANSACTIONS

Six private-market deals; median multiple applied.

Median EV/EBITDA across six recent deals in NAICS 236118 and adjacent residential-builder codes: $5.4\times$. Applied to current-year EBITDA of \$1.5M, this produces an implied enterprise value of \$6.6M, before applying the standard 12% liquidity discount.

RECENT COMPARABLE TRANSACTIONS

TARGET	ACQUIRER	EV / REV	EV / EBITDA	DATE	SOURCE
Lead-generation contractor	Private	1.1x	3.7x	2026-04-26	Marketplace
Luxury waterfront builder	Private	1.8x	4.8x	2026-04-26	Marketplace
Lead-generation contractor	Private	1.1x	3.7x	2026-05-03	Marketplace
Luxury waterfront builder	Private	1.8x	5.8x	2026-05-03	Marketplace
Residential builder · TX	Regional group	1.1x	10.4x	2025-01-10	Third-party
Energy-efficient builder · 15yr	Private	0.4x	—	2026-04-28	Marketplace

§ 07 METHODOLOGY

Engine weights and rationale.

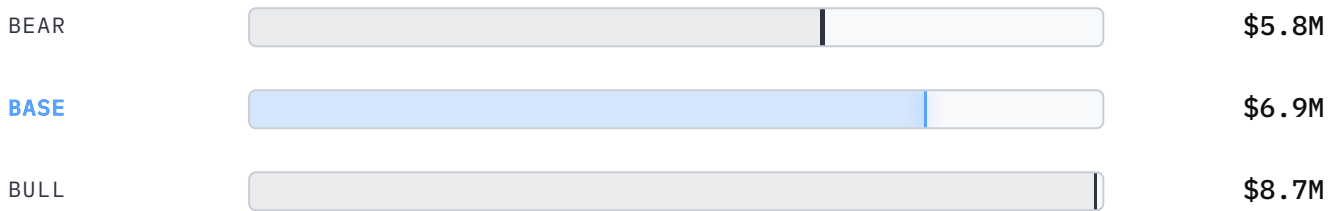
Engines are weighted by data quality, peer availability, and industry fit. The blended midpoint is the weighted average of each engine's midpoint estimate.

METHODOLOGY	WEIGHT	IMPLIED VALUE	NOTE
Discounted Cash Flow	57.1%	\$8.8M	5-year projection · WACC 18.0% · TGR 2.5%
Precedent Transactions	42.9%	\$6.4M	Median 5.4× EV/EBITDA across six deals
Blended enterprise value	100.0%	\$6.9M	Subject to VARI A · 87 / 100

§ 08 SCENARIO ANALYSIS

Three complete valuation runs under distinct assumption sets.

Each case is a complete valuation under a distinct assumption set: conservative growth and margin (Bear), industry-blended (Base), aggressive at the industry ceiling (Bull). The range reflects assumption uncertainty, not methodology variance.



SCENARIO COMMENTARY · ASSUMPTION SETS

SCENARIO	EQUITY VALUE	GROWTH	EBITDA MARGIN	COMMENTARY
Bear	\$5.8M	2.2%	30.6%	Conservative growth and margin. Floor a disciplined buyer would underwrite at close.
Base	\$6.9M	3.0%	39.8%	Margin sits 31.8pp above the 8.0% industry midpoint. At this stage, a 2pp margin improvement adds more enterprise value than a 10% revenue lift.
Bull	\$8.6M	3.4%	44.6%	Margin holds at the industry ceiling; growth normalizes mid-cycle. Implies \$18.0M equity value over five years.

§ 09 ASSET-BASED FLOORS

What the business is worth if the operating thesis fails.




Three asset-based floors: liquidation (forced sale of working capital plus hard assets), adjusted book (orderly wind-down at market value), and going concern (replacement cost of the asset base). Equity values above any floor confirm the operating thesis is doing more than holding assets.

FLOOR SCENARIO	VALUE
Liquidation · distressed	\$0
Adjusted book · orderly	\$147K
Going concern	\$532K

§ 10 RISK FACTORS

Conditions identified during this engagement that bear on the result.

ENGAGEMENT RISK REGISTER

SEVERITY	FROM	CONDITION
 OBSERVATION	DCF	Revenue dispersion of $\pm 32\%$ (3-year σ/μ) — above the 18% sector norm. Forecast confidence reduced accordingly.
 CAUTION	DCF	EBITDA margin rose from 5.4% to 25.3% over the year — a 4.7 \times expansion. The forecast anchors closer to industry-typical margins than to most-recent-year data, reflecting concern that the step-up may not persist.
 MATERIAL	Comps	Zero peers met the inclusion threshold. The Comparable Companies engine was excluded from the blend; weight redistributed to DCF and Precedent.

§ 11 FINANCIAL STATEMENTS

Income statement.

INCOME STATEMENT · FY 2022 / 2024 / 2025

LINE ITEM	FY 2022	FY 2024	FY 2025
Revenue	\$5.7M	\$10.3M	\$6.0M
Cost of goods sold	\$4.2M	\$8.6M	\$3.3M
Gross profit	\$1.5M	\$1.7M	\$2.7M
Operating expenses	\$516K	\$1.2M	\$1.2M
Depreciation & amortization	\$47K	\$1K	\$1K
Operating income	\$977K	\$561K	\$1.5M
EBITDA	\$1.0M	\$562K	\$1.5M
Interest expense	—	\$0	\$2
Net income	\$1.1M	\$561K	\$1.6M

Balance sheet.

LINE ITEM	FY 2024	FY 2025
Cash & equivalents	\$608K	\$1.4M
Accounts receivable	\$77K	\$139K
Inventory	\$1.1M	\$2.4M
Total current assets	\$1.8M	\$3.7M
Property, plant & equipment	\$253K	\$219K
Total assets	\$2.7M	\$4.3M
Accounts payable	\$237K	\$578K
Short-term debt	\$104K	\$354K
Total liabilities	\$2.6M	\$3.3M
Total equity	\$21K	\$1.0M

Estimated cash flow.

ESTIMATED CASH FLOW · DERIVED FROM INCOME STATEMENT AND BALANCE SHEET

LINE ITEM	2022	2024	2025
Revenue	\$5.7M	\$10.3M	\$6.0M
EBITDA	\$1.0M	\$562K	\$1.5M
Less: taxes	(\$256K)	(\$140K)	(\$382K)
Plus: D&A add-back	\$47K	\$1K	\$1K
Less: capital expenditure	(\$951K)	(\$2K)	(\$1K)
Less: working-capital change	\$0	\$0	\$0
Free cash flow	\$815K	\$420K	\$1.1M

Cash flow derived from income statement and balance sheet inputs. Where periodic EBITDA, D&A, capital expenditure, or working-capital movements were not supplied, the engine imputed from trailing ratios. Methodology: § 07.

§ 12 DOCUMENT APPENDIX

Source materials supplied by engagement holder.

DOCUMENTS ON FILE

DOCUMENT	FILED
Tax return · FY 2024	2026-05-30
Tax return · FY 2025	2026-05-30
Profit & loss · FY 2022	2026-05-30
Statement of operations · FY 2024	2026-05-30
Statement of operations · FY 2025	2026-05-30
Balance sheet · FY 2024	2026-05-30
Balance sheet · FY 2025	2026-05-30

§ 13 DATA SOURCES

External data referenced during this engagement.

Comparable Companies — 0 of 4 candidate peers met the inclusion threshold. Source pool: public-market data, third-party private-market data, VA Index sector slice for NAICS 236118.

Precedent Transactions — 6 of 7 candidate deals included in the median. Source pool: third-party deal databases, private-market marketplaces, registered business brokers. One deal excluded for incomplete EV reporting.

<p>NATURE OF ESTIMATE</p> <p>This memo is an estimate of enterprise value. It does not constitute investment advice, a fairness opinion, or a recommendation to buy or sell securities.</p>	<p>DATA SOURCES</p> <p>Estimates derive from public market data, third-party private-market data, user-provided financial statements, and Value Alpha proprietary analytical models. Actual transaction values may differ materially.</p>
<p>USE RESTRICTIONS</p> <p>Value Alpha is a valuation platform, not a registered investment advisor, broker-dealer,</p>	

or CPA firm. Users should consult qualified financial professionals before making investment decisions.

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