ROCKHAVEN CAPITAL

BUSINESS VALUATION REPORT | SAMPLE

Commercial Cleaning Business

Contracted commercial cleaning and janitorial services

The report at a glance

Market value range: $885,000 to $1,345,200

Indicated value: $1,230,150

Verified earnings, 2024: $354,000

Revenue, 2024, per the tax return: $1,850,000

Sales evidence behind this range: Strong. It rests on 7 recorded sales of similar businesses, checked against 11 more in our sector records.

Prepared for the owner of the business. This is the sample report: it is built from a real engagement run, with the business's name, owner, and location removed.

Sector: commercial cleaning
Valuation date: November 4, 2026; earnings year 2024
Sample report: built from a real engagement run, with the business's name, owner, and location removed

This report values one business from its own documents: the earnings build rests on the business's tax return, and the range rests on recorded sales of comparable businesses, each one named in this report. The closing section states in full what this report is, and what it is not. Two terms run through it, stated once here: earnings means seller's discretionary earnings (SDE), the cash the business produces for the person who owns it; and the indicated value is the single figure inside the range that the evidence points to.

What this report contains

1. Market value: the range, and what places this business in it

2. The earnings build, as verified

3. Financial analysis: the documented year, read closely

4. Industry and market: what this sector actually sold for

5. Comparable sales, with a note on each sale

6. What moves this value

7. Sensitivity: what if the inputs move

8. How this value was built, with a method appendix

9. Exhibits: the schedules behind this report

10. Disclaimers and disclosures

1. Market value

Market value range

$885,000 to $1,345,200

Indicated value: $1,230,150

It sits in the upper portion of the range, where the factors named below place this business.



The bar runs from the bottom of the range to the top, on a dollar scale. The gold marker sits at 3.475 times verified earnings, where the factors named below place this business.

What places it there

Contracted recurring work: about 70 percent of revenue is recurring contracted work, and about 90 percent of revenue is commercial accounts rather than one-time work.

Work already booked: booked work on hand equals about 16 percent of a year's revenue.

New business: a team brings in new business, so growth does not rest on the owner alone.

Against that: the largest customer is about 15 percent of revenue, the owner still works about 50 hours a week in the business, and the earnings margin (19.1 percent of revenue) sits a little under the stronger businesses in this sector.

Priced under the commercial cleaning section of the RockHaven Industry Valuation Standard (version 1.3, November 4, 2026): seller's discretionary earnings (SDE), priced at 2.5 to 3.8 times the verified figure.

2. The earnings build, as verified

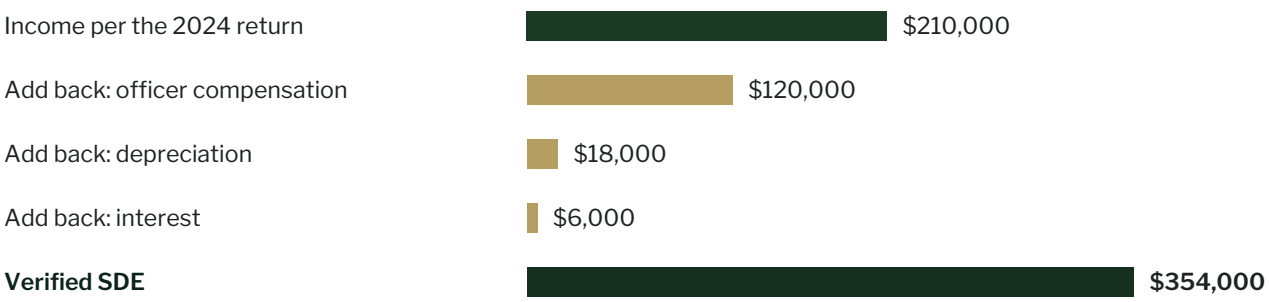
Why figures are added back. The tax return states this business's profit after the owner's own pay was taken out. A buyer of a business this size steps into the owner's place: he does the owner's job, or pays one person to do it, and draws the benefit the owner drew. So the earnings a buyer prices start from the return's profit and add back the owner's compensation, the depreciation (a charge on paper, not cash out the door), and the interest (a cost of how the business is financed, not of how it runs). The table shows each line, its amount, and how it was treated.

Item	Amount	How it was treated
Ordinary business income, 2024 Form 1120S	$210,000	As filed on the business's 2024 tax return; the starting point of the build
Add back: officer compensation (the owner's salary)	$120,000	Counted in full: the method adds back one working owner's compensation, and the return documents the amount
Add back: depreciation	$18,000	Counted in full: a non-cash charge shown on the return
Add back: interest	$6,000	Counted in full: a financing cost shown on the return
Verified seller's discretionary earnings (SDE)	$354,000	The verified figure; the range in section 1 is built on it

Revenue per the 2024 return is $1,850,000. Verified SDE is 19.1 percent of revenue.

An owner-provided earnings estimate of $450,000 accompanied this engagement. It is not used. The build starts from the tax return, and the documents support $354,000.

The build, in one picture



Figures received, and not used

Figure	Amount	Why it is not in the build
Owner-provided earnings estimate	$450,000	Stated by the owner and not tied to any document in the engagement. The build starts from the tax return instead, and the documents support $354,000.
Seller-prepared profit and loss statement, net income	$310,000	The statement does not tie to the 2024 tax return; see the documentation gap in this section. Its figures are not used anywhere in this report.

The documents this report rests on

2024 Form 1120S tax return	Relied on in full. Every figure in the earnings build comes from it.
Seller-prepared profit and loss statement, 2024	Received and read. Not relied on: it does not tie to the return, as the documentation gap in section 2 sets out.
Owner-provided earnings estimate	Received. Not relied on: it is a stated figure with no document behind it.

A documentation gap: the seller-prepared statement does not tie to the tax return

Provided	A seller-prepared profit and loss statement for 2024, showing revenue of $2,050,000 and net income of $310,000.
Could not be verified	Those figures do not agree with the business's 2024 tax return, which shows revenue of $1,850,000 and ordinary business income of $210,000. The statement's figures are not used anywhere in this report; every figure in the build comes from the return.
What would close it	A written reconciliation of the statement to the return, or a corrected statement that ties to the return, from whoever prepared the statement.
Effect on this report	No figure in this report changes because of the gap: the build rests on the return throughout, so the range already stands on the documented figures. The gap matters because a buyer or a lender will ask the same question this report asked, and a written reconciliation removes it before they do.

3. Financial analysis

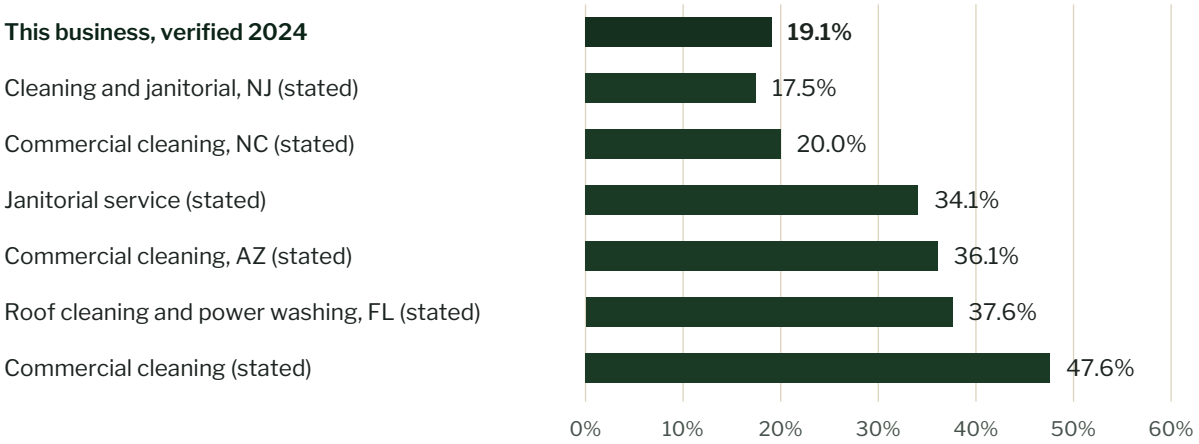
The build in section 2 produces one verified figure. This section reads the same documented year more closely: how the revenue divides, how much of the earnings is added back and what that means, and how the margin compares with the recorded sales. Every figure is the return's own or plain arithmetic on it.

Measure	Figure	Share of revenue	What it says
Ordinary business income, 2024	$210,000	11.4 percent	What the return shows before the owner's own compensation is counted. The starting line of the build.
Officer compensation	$120,000	6.5 percent	One working owner's pay. In this sector a buyer steps into that pay, which is why the build counts it in earnings.
Depreciation	$18,000	1.0 percent	A non-cash charge, added back in the build. It is also the only sign in this file of what the business spends on equipment; the note on equipment spending below takes that up.
Interest	$6,000	0.3 percent	A financing cost, added back in the build.
Total added back	$144,000	7.8 percent	40.7 percent of the verified earnings. The larger the added-back share, the more of the earnings rests on the owner's own role being filled by whoever buys.
Verified earnings (SDE)	$354,000	19.1 percent	The margin buyers in this sector price from: of every dollar of revenue, about 19 cents is verified earnings.

The margin, read against the market. The recorded sales in section 5 carried stated earnings margins from 17.5 to 47.6 percent of revenue, with the middle sale at 35.1 percent. Stated margins are the sellers' own figures, not verified ones, and they tend to read high; even read with that care, this business converts revenue into earnings at a thinner rate than most of its set. How much of each revenue dollar becomes earnings is the main reason the indicated value sits below the very top of the range rather than at it.

What the added-back share means. Of the $354,000 verified figure, $144,000 (40.7 percent) is added back, and $120,000 of that is the owner's own compensation. The money is real: a buyer who works in the business draws it. It also means the earnings depend on the owner's role being filled, which is one of the factors section 6 weighs.

The earnings margin, against the recorded sales



Earnings as a share of revenue. This business's figure is verified from its tax return; the others are as stated in their sale records, and stated figures are read with the care section 5 describes.

What this file cannot show

Working capital. The documents in this engagement do not include a balance sheet, so this report draws no working-capital exhibit: what customers owe the business, what it owes its suppliers, and the cash it needs week to week cannot be read from this file, and none of it is guessed. What the file does show is the term on which cash follows work: customers pay at 30 days, which section 6 takes up.

Equipment spending. The return shows depreciation of $18,000, the only sign in this file of what the business spends on equipment. No equipment list or purchase record was provided, so what the business must spend to keep its crews equipped cannot be verified here, and no exhibit is drawn. A buyer will ask for the equipment list; having it ready, with ages and replacement costs, removes the question before it is priced in.

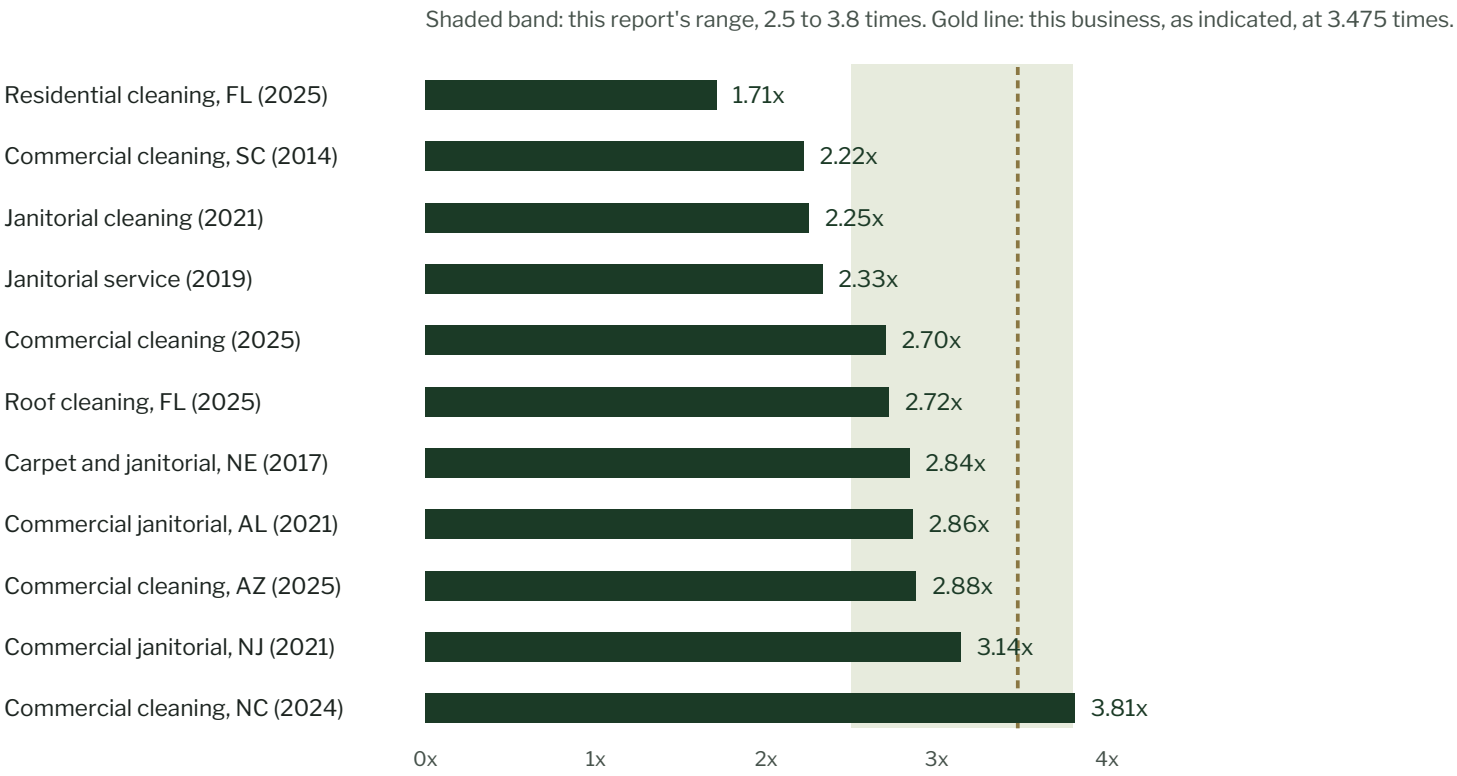
4. Industry and market

Section 5 prices this business against the six closest recorded sales. This section steps back one level: what cleaning businesses as a group have actually sold for, across every recorded sale we hold and in the published sector figures, so the range in section 1 can be read against the whole market and not only the closest sales. Prices throughout this report are stated as a multiple: the sale price as a number of times the business's yearly earnings. A sale at 3 times earnings means the buyer paid three years of those earnings.

Recorded cleaning sales in our library	11 sales, dated 2014 to 2025, gathered from published sold records on November 4, 2026
Sale prices across those 11 sales, in times earnings	1.71 to 3.81 times stated earnings; the middle sale at 2.72 times
Sales at this business's size ($1,000,000 of revenue and up)	5 of the 11 sales; multiples 2.33 to 3.81 times, the middle sale at 2.72 times

Published sector figures (BizBuySell cleaning services report, November 4, 2026)	The middle sale price was $260,000, on a middle asking price of $295,000: recorded sales closed at about 88 percent of asking
Published prices, in times earnings (same report)	The middle sale went at 2.07 times stated earnings; the middle half of recorded sales ran from 1.57 to 2.66 times

Every recorded sale in the library, in times earnings



The size comparison. The published figures describe a smaller business than this one: the middle cleaning business in the published figures sold with $433,327 of revenue and $136,326 of earnings, against this business's $1,850,000 and $354,000. Published prices, in times earnings, run lower in part because smaller businesses usually rest more heavily on their owners. The five recorded sales at $1,000,000 of revenue and up are the closer comparison at this size, and their prices, 2.33 to 3.81 times earnings, bracket the range this report uses, 2.5 to 3.8 times.

Asking prices are not values. Recorded cleaning sales closed at about 88 percent of the asking price in the published figures. An asking price is an opening position. This report prices from recorded sales, not from what sellers asked, which is why no asking figure appears anywhere in it as evidence.

5. Comparable sales

Business	State	Revenue	Earnings, as stated	Sale evidence	Source
Commercial cleaning and janitorial	NJ	$2,000,000	$350,000 (SDE, as stated)	Sold $1,100,000, at 3.14 times stated earnings (2021)	BizBuySell sold record
Commercial cleaning	NC	$2,100,000	$420,000 (SDE, as stated)	Sold $1,600,000, at 3.81 times stated earnings (2024)	Her Capital Guide deal report
Janitorial service	Not stated	$1,700,000	$580,000 (SDE, as stated)	Sold $1,350,000, at 2.33 times stated earnings (2019)	BizBuySell sold record
Commercial cleaning	AZ	$780,150	$281,340 (SDE, as stated)	Sold $810,000, at 2.88 times stated earnings (2025)	BizBuySell sold record
Roof cleaning and power washing	FL	$1,143,823	$430,352 (SDE, as stated)	Sold $1,170,000, at 2.72 times stated earnings (2025)	BizBuySell sold record
Commercial cleaning	Not stated	$2,100,000	$1,000,000 (SDE, as stated)	Sold $2,700,000, at 2.70 times stated earnings (2025)	BizBuySell sold record

Basis of this table: recorded sales drawn from RockHaven's comparable sales library, built from published sold records (BizBuySell sold listings and published deal reports), gathered on November 4, 2026. Earnings are as stated in those records; RockHaven did not verify them. The sale multiples observed in this set run from 2.33 to 3.81 times SDE, and this business's range (2.5 to 3.8 times) sits inside that span. No asking prices are used in this table. When RockHaven's own closed outcomes exist for a sector, they become this table's first source.

A note on each sale

Commercial cleaning and janitorial (NJ)

The closest record in the set in scale to this business: $2,000,000 of revenue against $1,850,000. It sold in 2021 at 3.14 times its stated earnings, inside the range this report uses.

Commercial cleaning (NC)

The highest multiple in the set: 3.81 times, in a 2024 sale, at the very top of this business's range. Its stated earnings margin, 20 percent of revenue, sits a little above this business's verified 19.1 percent.

Janitorial service (Not stated)

The oldest record in the set, a 2019 sale, and the lowest multiple at 2.33 times. Its stated earnings margin, 34 percent of revenue, is far above this business's, which is one reason stated figures in sale records are read with care and never simply adopted.

Commercial cleaning (AZ)

The smallest business in the set, with about two-fifths of this business's revenue. It sold in 2025 at 2.88 times its stated earnings.

Roof cleaning and power washing (FL)

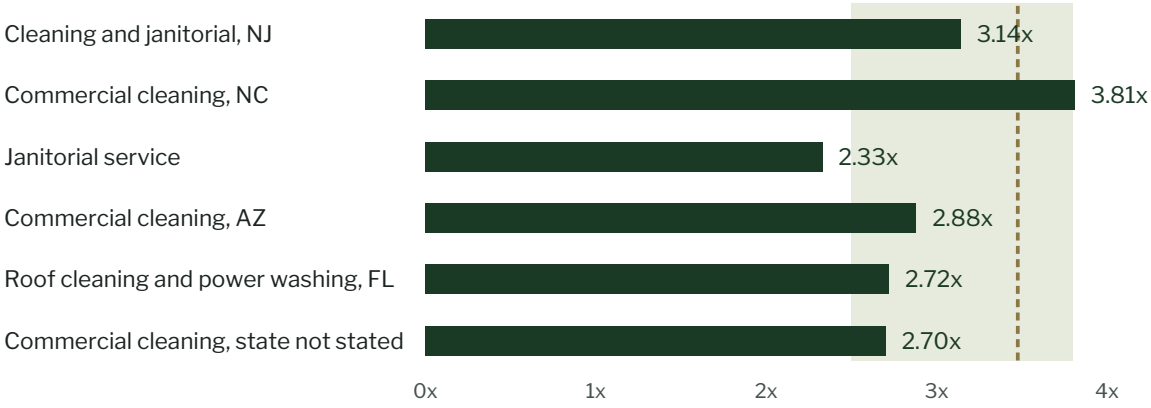
An adjacent cleaning trade rather than contract janitorial work, included because its size ($1,143,823 of revenue) and its 2025 sale date sit close to this business. It sold at 2.72 times its stated earnings.

Commercial cleaning (Not stated)

The largest stated earnings figure in the set: $1,000,000, nearly three times this business's verified $354,000, and stated rather than verified. It sold in 2025 at 2.70 times.

The set's prices, in times earnings, against this business's range

Shaded band: this report's range, 2.5 to 3.8 times. Gold line: this business, as indicated, at 3.475 times.



6. What moves this value

The readings behind this section

Contracted recurring share of revenue	About 70 percent
Commercial share of revenue	About 90 percent
Booked work on hand	About 16 percent of a year's revenue
Largest single customer	About 15 percent of revenue
Customer payment terms	30 days
Owner's hours in the business	About 50 hours a week
Verified earnings margin	19.1 percent of revenue

Contracted recurring work: about 70 percent of revenue

Seven dollars in every ten arrive under contract, month after month, rather than being re-sold each time. In this sector that is the steadiest form of revenue there is, and buyers pay for steadiness because it is the part of the earnings they can count on still being there after they buy.

This is the strongest single factor placing the business in its range, and the method prices a move in it. The scoring moves in steps; one step on a single factor is 0.13 times earnings, $46,020 on this business's figures. Section 7 runs the step: if the recurring share fell a full step, the same method would indicate about $1,184,130. Renewed contracts are, on these numbers, worth more than any single account in the business.

Commercial accounts: about 90 percent of revenue

The revenue is nearly all commercial work rather than one-time or household jobs. Commercial accounts sign agreements, renew on a cycle, and pass to a new owner as contracts, so the revenue a buyer prices is revenue he can see continuing.

That transferability supports the position in the range. A book of one-time work would have to be re-earned by the buyer, and buyers pay less for what they have to re-earn.

Booked work: about 16 percent of a year's revenue

Work already sold equals about two months of the year's revenue. A buyer does not start from zero: the first stretch of his ownership is partly sold before he arrives.

Forward cover of this size supports the position. It is a smaller factor than the recurring share, because booked work runs out; the contracts behind it are the durable part, and they are counted in the first block above.

Largest customer: about 15 percent of revenue

No single account carries the business, and one account is still large enough to feel. On a straight share of earnings, about $53,100 of the $354,000 rides on that one relationship.

At 15 percent, that costs the position a small step rather than disqualifying it: the business survives the loss, thinner. The step arithmetic above gives the scale of a further move: one step on a single factor is about $46,020 of indicated value on these earnings, so concentration that deepened materially would be priced, step by step.

Customer payment terms: 30 days

Customers pay a month after the work. Cash follows work at a pace the business can plan around, and a buyer inherits the same cycle rather than funding a long gap between doing the work and being paid for it.

Terms at 30 days support the position modestly. Terms stretching to 60 or 90 days would tie up more of the buyer's cash in unpaid customer bills, and buyers price that funding cost into what they pay.

The owner's hours: about 50 a week

The owner is in the business full time and then some. Whoever buys has to fill roughly 50 hours a week of that role, with a hire, with a manager already in place, or with his own time.

That dependence holds the value down, and it is the clearest single reason this business does not sit at the very top of its range. The recorded sales we hold show the same pattern buyers describe: businesses that run without the owner in the daily work have sold at the stronger multiples in their sets.

Earnings margin: 19.1 percent of revenue

Section 3 sets the margin against the recorded sales: verified at 19.1 percent, below the stated margins on most of its set. The margin is where value growth actually comes from, because value is earnings times a multiple.

The arithmetic, on this report's own figures: one point of margin on $1,850,000 of revenue is $18,500 of earnings, and at the indicated multiple of 3.475 times, about $64,000 of value. No other single line in the business moves the number as far, as fast.

Working for the value

About 70 percent of revenue is recurring contracted work, the steadiest kind of revenue in this sector.

About 90 percent of revenue is commercial accounts, which renew and transfer more predictably than one-time work.

Booked work on hand equals about 16 percent of a year's revenue, so the coming months are partly sold already.

A team lands new business. Growth does not depend on the owner personally selling.

The earnings here are built from the business's tax return, line by line. A buyer or a lender reading this business sees documented earnings, not claims.

Working against the value

The largest customer is about 15 percent of revenue. Losing that one account would remove a noticeable share of earnings.

The owner works about 50 hours a week in the business. A buyer has to replace those hours, and that dependence holds value down in this sector.

The earnings margin, 19.1 percent of revenue, sits a little under the stronger commercial cleaning businesses, which keeps the indicated value out of the very top of the range.

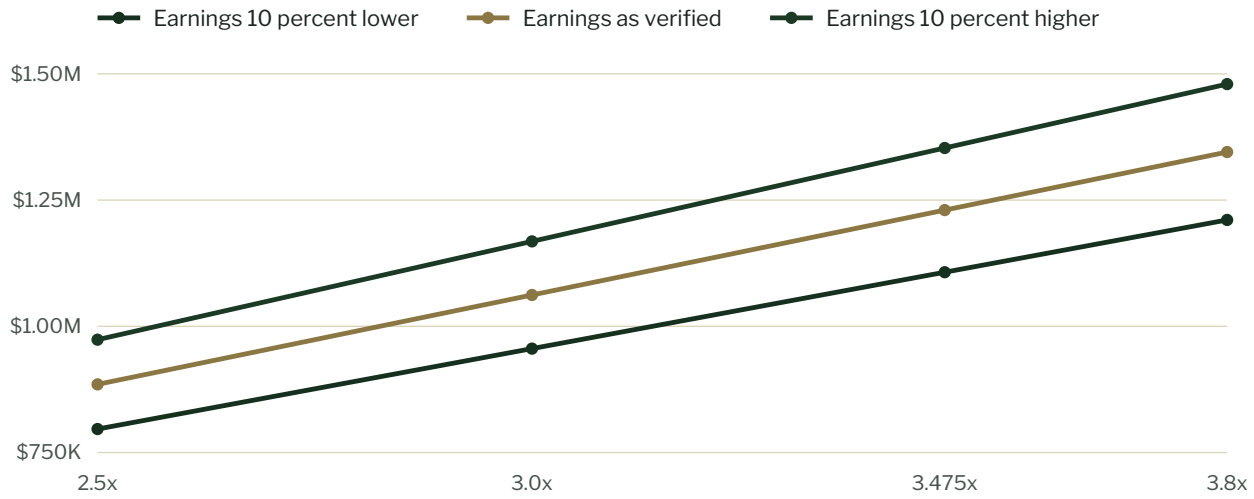
The documentation gap in section 2: a seller-prepared statement that does not tie to the tax return. Until it is reconciled, a careful reader allows for the paperwork, even though this report's figures rest on the return.

7. Sensitivity: what if the inputs move

Each line below is a scenario, not a forecast: the same method, applied to the same business, with one input moved.

Scenario	Earnings	Value
Scenario: earnings 10 percent lower	$318,600	$1,107,135
Earnings as verified	$354,000	$1,230,150
Scenario: earnings 10 percent higher	$389,400	$1,353,165

Earnings and multiple, moved together



The two-way grid as a picture: each line is one earnings scenario, read across the multiple steps. The middle line at the indicated multiple is this report's indicated value. The full grid, every cell printed, is Exhibit C at the back of this report.

Position in the range	Value
Bottom of the range (2.5 times)	$885,000
Indicated value	$1,230,150
Top of the range (3.8 times)	$1,345,200

Scenario: contracted recurring work is the strongest single factor placing this business in its range. If the recurring share fell enough to move that factor one band lower, the same method would indicate about $1,184,130. On these figures, keeping the contract book renewed is worth roughly $46,000 of indicated value.

8. How this value was built

How the earnings were built. The build starts from the business's most recent full-year tax return (2024) and follows the seller's discretionary earnings method: the return's ordinary business income, plus the owner's compensation, depreciation, and interest, each shown as its own line in section 2. Figures that appear only in seller-prepared statements are not used until they tie to a return.

How the range was built. Verified earnings are multiplied by the range of multiples for this industry in the RockHaven Industry Valuation Standard: for commercial cleaning, 2.5 to 3.8 times SDE. The indicated value inside the range is set by scoring the factors buyers pay for in this sector: recurring contracted share, who runs the business, customer concentration, margin, trend, and how completely the earnings are documented. Those factors are named in section 1.

Where the multiples come from. The standard's ranges rest on named published market sources, including BizBuySell published figures on closed sales for the industry and IBBA and M&A; Source Market Pulse reporting, and they are checked against newly recorded sales every quarter. Section 4 sets out this sector's recorded evidence in full. This report uses version 1.3 of the standard (November 4, 2026), the version current when the report was prepared.

How much evidence stands behind this range. A solid amount, by the standards of this market. This industry's range has been checked against recorded sales, not only researched in published figures: 7 recorded sales of similar businesses in our most recent check of the standard against real outcomes, and 11 recorded sales in our comparable sales library, as of November 4, 2026. The strength of that evidence describes the range, not the quality of this business.

A note on terms. Where a sale of a business like this one involves seller financing, the terms are flexible and set deal by deal. No structure is treated as standard in this report.

Appendix: the method in more detail

What SDE means, and what it leaves out

Seller's discretionary earnings is the total economic benefit one working owner draws from the business: the profit on the return, plus that owner's compensation, and the business's depreciation and interest. It is the earnings measure buyers of businesses of this size price from, because a buyer steps into the owner's place. It is not the profit an outside investor would see after paying a manager to run the business, and this report does not present it as one.

Why a range, and not a single number

Businesses like this one sell inside a band, because no two buyers weigh the same factors the same way and no two sales carry the same terms. A single printed number would claim a precision the market does not have. The range is the honest output; the indicated value inside it is where this method's scoring places this business, and section 1 names the factors that put it there.

How the position inside the range is scored

The method scores the factors buyers pay for in this sector: how much of the revenue is contracted and recurring, whether the business runs without the owner in it, how concentrated the customers are, the earnings margin, the direction of the business, and how completely the earnings are documented. Each factor moves the position a set amount inside the range, applied the same way on every report, so two businesses in the same sector are read by the same ruler.

Where the market evidence comes from, and how it stays current

The multiple ranges rest on recorded sales: published closed-sale records and published figures on them for the industry, reporting from the IBBA and M&A; Source Market Pulse, and RockHaven's comparable sales library, which sections 4 and 5 draw on. The standard is rechecked against newly recorded sales every quarter, and each version of it is logged with its date. This report uses version 1.3 (November 4, 2026). We grade the evidence behind every range ourselves, strong, moderate, or limited, and when the evidence for a sector is thin, a report on that sector says so in plain words rather than rounding confidence up.

9. Exhibits

The schedules behind this report, printed in full: the earnings build, the documents the report rests on, and the complete sensitivity grid.

Exhibit A: the earnings build schedule

Item	Amount	How it was treated
Ordinary business income, 2024 Form 1120S	$210,000	As filed on the business's 2024 tax return; the starting point of the build
Add back: officer compensation (the owner's salary)	$120,000	Counted in full: the method adds back one working owner's compensation, and the return documents the amount
Add back: depreciation	$18,000	Counted in full: a non-cash charge shown on the return
Add back: interest	$6,000	Counted in full: a financing cost shown on the return
Verified seller's discretionary earnings (SDE)	$354,000	The verified figure; the range in section 1 is built on it

Exhibit B: the document inventory

2024 Form 1120S tax return	Relied on in full. Every figure in the earnings build comes from it.
Seller-prepared profit and loss statement, 2024	Received and read. Not relied on: it does not tie to the return, as the documentation gap in section 2 sets out.
Owner-provided earnings estimate	Received. Not relied on: it is a stated figure with no document behind it.

Exhibit C: the full sensitivity grid

Every cell is the same method at the stated earnings and the stated multiple: earnings times multiple, nothing else in the arithmetic.

Earnings scenario	Earnings	2.5x	3.0x	3.475x	3.8x
Earnings 10 percent lower	$318,600	$796,500	$955,800	$1,107,135	$1,210,680
Earnings as verified	$354,000	$885,000	$1,062,000	$1,230,150	$1,345,200
Earnings 10 percent higher	$389,400	$973,500	$1,168,200	$1,353,165	$1,479,720

10. Disclaimers and disclosures

(a) What this report is.

This report is a valuation report prepared for the owner's own planning. It is not an appraisal, and no licensed or certified appraiser prepared or signed it.

(b) What it may not be used for.

It is not prepared for, and may not be used for, tax filing, lending, an employee stock ownership plan (ESOP), a partnership dispute, or court purposes.

(c) Business only.

It values the business only. It does not value any real estate the business owns or occupies, and no figure in it is a real estate figure.

(d) Who prepared it.

RockHaven also buys businesses. The figures in this report come from the same valuation standard RockHaven uses in its own work, applied the same way.

(e) The fee.

The fee for this report buys the report alone. It is never credited, refunded, or applied to any future transaction of any kind.