Worthline

SAMPLE REPORT: FICTIONAL COMPANY

Valuation of Nile Pack Industries

Independent valuation opinion, 100% of equity
Valuation date: 31 December 2025

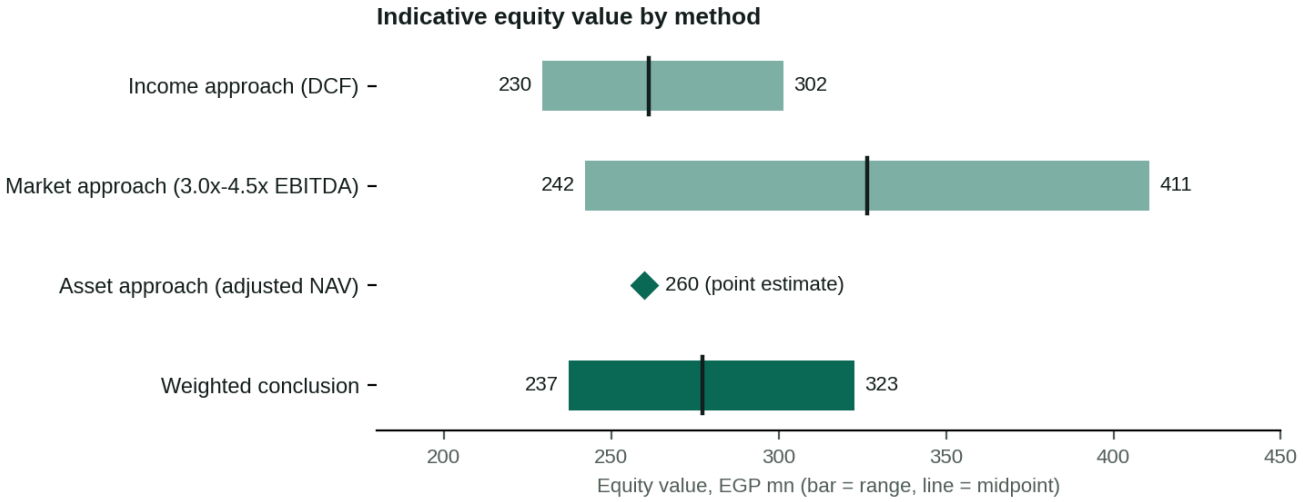
> **This is an illustrative sample.** Nile Pack Industries is a fictional company. All company figures and market inputs (risk-free rate, beta, multiples, plant revaluation) are invented to show how a Worthline report is built and read. They are not market data and not a valuation of any real business.

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1. Conclusion

We value 100% of the equity of Nile Pack Industries at about **EGP 277 million**, within a range of **EGP 237 to 323 million**, as at 31 December 2025. This equals an enterprise value of about EGP 372 million, or 3.3x normalised 2025 EBITDA.

EGP 277mn	237 to 323	3.3x
Equity value, midpoint	Equity range, EGP mn	Implied EV / EBITDA 2025



How the three methods point

- **Income approach (60% weight):** discounted cash flow gives equity of EGP 261 million. It carries most weight because Nile Pack is an operating business whose value comes from future cash, and we have three years of clean history to base the forecast on.
- **Market approach (25%):** applying a 3.0x to 4.5x range for comparable private packaging businesses gives equity of EGP 242 to 411 million. It gets less weight because private-sale multiples are thin and vary with deal circumstances.
- **Asset approach (15%):** adjusted net assets are EGP 260 million, a floor-style cross-check. The company owns its plant, which the income approach does not credit separately.

> **Why the three methods land close together.** The income and asset results sit within a few percent of each other, so the business is worth about what its assets and its earnings each say. That agreement is what makes the range narrow enough to negotiate with.

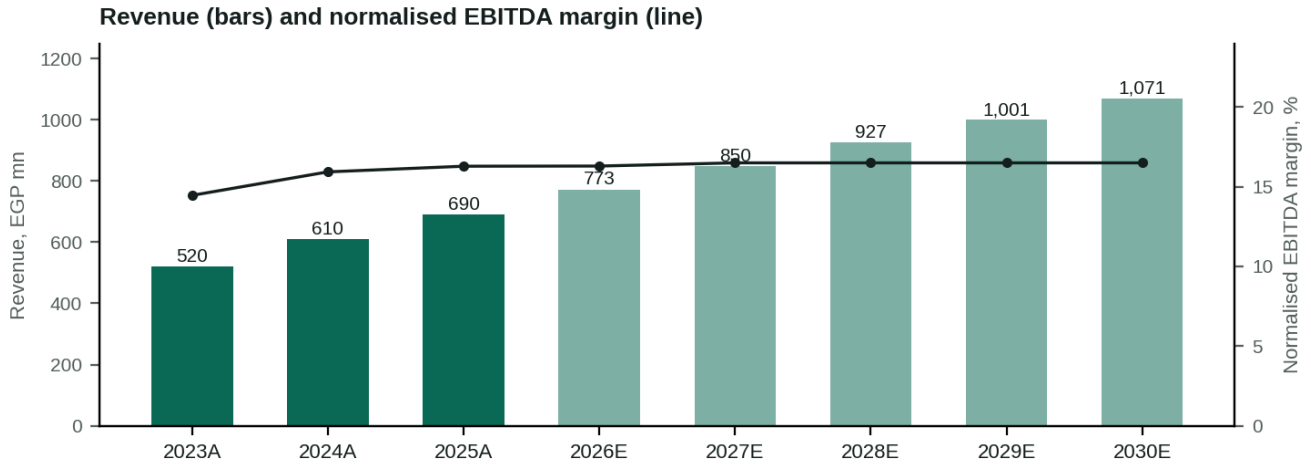
2. Scope and basis

Subject	100% of the ordinary equity of Nile Pack Industries (fictional), a flexible-packaging manufacturer in Egypt
Purpose	Support a negotiation: the owners are considering selling the company, and a buyer has made no offer yet
Standard of value	Fair market value: the price a willing buyer and willing seller would agree, each informed and under no compulsion
Premise	Going concern
Valuation date	31 December 2025
Currency	Egyptian pounds, nominal
Information used	Audited financial statements for 2023 to 2025, management forecast discussions, plant and customer information provided by the owners (all fictional in this sample)

> **Status of this opinion.** Worthline reports are independent valuation opinions for private transactions and negotiations. They are not fair-value studies mandated by the Financial Regulatory Authority or any other body, and they are not an audit or a fairness opinion on a specific offer.

3. The business

Nile Pack Industries (fictional) makes printed and laminated flexible packaging films for food and consumer-goods customers on a made-to-order basis. It operates one owned plant, employs about 350 people, and has traded for 25 years. About 60% of sales come from its ten largest customers, mostly under annual supply agreements.



Revenue grew 17.3% in 2024 and 13.1% in 2025 to EGP 690 million. We forecast growth easing from 12% to 7% by 2030 as the base gets larger.

4. What the earnings really are

A buyer pays for sustainable earnings, not the profit shown in the accounts. We adjusted reported EBITDA for items that will not repeat or are not at market terms:

EGP mn	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
Reported EBITDA	83.2	103.7	113.9					
One-off legal settlement	0.0	1.5	4.5					
Director pay below market	-3.0	-3.0	-3.0					
Related-party rent below market	-5.0	-5.0	-5.0					
One-off relocation cost	0.0	0.0	2.0					
Normalised EBITDA	**75.2**	**97.2**	**112.4**	**126.0**	**140.3**	**152.9**	**165.1**	**176.7**

Normalised EBITDA for 2025 is EGP 112.4 million, 16.3% of revenue, slightly below the reported figure of EGP 113.9 million. The owners pay themselves and a family landlord less than a buyer would have to, which cancels most of the one-off add-backs. A buyer will make exactly these adjustments, so we make them first.

5. Income approach: discounted cash flow

EGP mn	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
Revenue	520.0	610.0	690.0	772.8	850.1	926.6	1,000.7	1,070.8
Normalised EBITDA	75.2	97.2	112.4	126.0	140.3	152.9	165.1	176.7
D&A	27.0	29.8	32.4	35.0	37.5			
EBIT	98.9	110.5	120.5	130.1	139.2			
Tax on EBIT	22.3	24.9	27.1	29.3	31.3			
Capex	34.8	38.3	37.1	40.0	42.8			
Increase in working capital	18.2	17.0	16.8	16.3	15.4			
Free cash flow	**50.7**	**60.1**	**71.9**	**79.5**	**87.1**			
PV of free cash flow	40.2	37.7	35.7	31.3	27.2			

Discount rate

We discount at a WACC of **26.2%**: cost of equity 29.2% (risk-free 22.0% + beta 0.85 x equity risk premium 5.5% + size and company-specific premium 2.5%), after-tax cost of debt 19.4%, and a target debt share of 30.0%. The rates are high because the cash flows are in Egyptian pounds; a real report states the date and source of each input.

Result

The present value of the five forecast years is EGP 172 million. The terminal value (growth of 10.0% after 2030) adds EGP 184 million in present value, 52% of the enterprise value of EGP 356 million. After deducting net debt of EGP 95 million (debt EGP 120 million less cash EGP 25 million), equity is EGP 261 million.

Sensitivity: DCF equity value, EGP mn

WACC \ growth	8.0%	9.0%	10.0%	11.0%	12.0%
24.2%	281	296	313	332	355
25.2%	258	271	285	302	320
26.2%	**238**	**249**	**261**	**275**	**291**
27.2%	220	230	240	252	265
28.2%	204	212	221	232	243

A one-point change in WACC moves equity by about EGP 20 to 25 million. A buyer will push on the discount rate, which is why we show the range openly.

6. Market approach

We applied an EV/EBITDA range of 3.0x to 4.5x, with 3.75x as the midpoint, to normalised 2025 EBITDA of EGP 112.4 million. That gives enterprise value of EGP 337 to 506 million and equity of EGP 242 to 411 million.

> **Sample note.** In this sample the multiple range is an illustrative input. In a real engagement we build it from named, dated private transactions and comparable companies, show each one, and explain adjustments for size, customer concentration and growth. We would not cite a multiple without a source.

7. Asset approach

EGP mn	Book	Adjustment	Adjusted
Property, plant and equipment (plant revalued)	175	60	235
Inventories	88	0	88
Trade receivables	126	0	126
Cash	25	0	25
Other assets	12	0	12
Total assets	**426**	**60**	**486**
Trade payables	92	0	92
Bank debt	120	0	120
Other liabilities	14	0	14
Total liabilities	**226**	**0**	**226**
Adjusted net asset value (equity)	**200**	**60**	**260**

The only adjustment is a revaluation of the owned plant by EGP 60 million to a depreciated replacement cost. Adjusted net assets are EGP 260 million. For an earnings-based company, the asset approach is a cross-check, not the answer. Here it is useful because it sits close to the DCF result.

8. Reconciling the methods

Equity value, EGP mn	Low	Mid	High	Weight
Income approach	230	261	302	60.0%
Market approach	242	326	411	25.0%
Asset approach	260	260	260	15.0%
Weighted equity value	**237**	**277**	**323**	**100%**

How the owner can use this in a negotiation

- **Opening price:** an ask near the top of the range, about EGP 323 million, is defensible. An ask of EGP 400 million equals about 4.4x EBITDA, the top of the market-approach range and above our highest DCF case (EGP 302 million), so a buyer will ask the owners to justify it.
- **Walk-away point:** offers below the low end, about EGP 237 million, undervalue the plant and the earnings together.
- **What a buyer will challenge first:** customer concentration, the normalisation items in section 4, and the discount rate.

9. Key risks and what would move the value

- **Customer concentration:** ten customers are about 60% of sales. An average top-ten customer is about 6% of sales, so losing one large account would hit earnings noticeably.
- **Input costs:** resin and film prices follow global markets and the pound. Margins assume the company keeps passing cost increases through within a quarter.
- **Currency and rates:** a weaker pound raises input costs; higher local rates raise the discount rate. Both reduce value.
- **Capacity:** the forecast needs the plant to keep up with growth. Capex of about 4% to 4.5% of revenue is assumed.
- **Related-party arrangements:** the below-market rent should be put on commercial terms before a sale.

10. Assumptions and limitations

- The company, its figures and all market inputs in this report are fictional or illustrative, for demonstration only.
- Discounting uses year-end cash flows. A real report would state the convention and may use mid-year.
- Information from management is relied on without audit. A real engagement lists documents received, tests them against each other, and records anything that could not be verified.
- This report is not tax, legal or accounting advice and does not include any transaction costs or taxes on a sale.
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