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*Judgment: approved by the court for handing down (subject to editorial corrections)**	*Delivered:* **06/11/2026**

IN THE HIGH COURT OF JUSTICE IN NORTHERN IRELAND

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FAMILY DIVISION
MATRIMONIAL OFFICE

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Between:

TB

Petitioner

and

MB

Respondent

[Ancillary relief; valuation of corporate assets]

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Stephen Shaw KC and Ashleigh Jones (instructed by Comerton & Hill) for the Petitioner
Adele O'Grady KC and Leanne Kelly (instructed by Clarendon Legal) for the Respondent

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HUMPHREYS J

This judgment has been anonymised and redacted in order to preserve the confidentiality of financial information in relation to the subject company.

Introduction

[1] The petitioner and the respondent married on 1 April 1995 and separated in April 2012. A decree nisi issued on 5 December 2016 and the decree absolute in July 2018. The ancillary relief proceedings remain undetermined, having stalled for a variety of reasons.

[2] The case was listed for financial dispute resolution ("FDR") hearing before the Master in May of this year when senior counsel jointly applied to adjourn the matter on the basis that the parties' respective valuation experts were some €9M apart in relation to the value of the shareholding held by the petitioner in a company called HoldCo Limited ("HL"). The Master acceded to the application and transferred the case to the judge's list.

[3] The parties then agreed directions which entailed the listing of a discrete hearing on the valuation issue. Once this question is determined, the case will proceed to an FDR hearing before a different judge.

The corporate structure

[4] The petitioner, TB, owns 100% of the shares in HL, a holding company registered in Ireland, which in turns owns all the shares in M Limited ("M LTD"), another Irish registered company. M LTD carries on business as a provider of services to the financial services industry.

[5] HL is also the sole shareholder of a company registered in Ireland, NewCo Ltd, which was incorporated in December 2024.

[6] M LTD has two wholly owned subsidiaries:

(i) SubCo Limited ("SL"), registered in Northern Ireland;

(ii) SubCo2 Limited ("S2L"), also registered in Northern Ireland.

[7] The petitioner also owns 100% of the shares in another Northern Ireland registered entity, SubCo3 Ltd ("S3L").

The valuation evidence

[8] The parties instructed a single joint expert, Paul Black of GMcG, who prepared a report dated 18 March 2022. For reasons which are not relevant to the matters in hand, the respondent sought and obtained the leave of the Master to instruct an expert on the basis of a sole instruction and the petitioner later followed suit.

[9] The court now has the benefit of reports from James Neill, of KPMG, on behalf of the respondent, dated June 2025 and September 2026, and from Barry O'Donnell of Harbinson Mulholland, on behalf of the petitioner, dated January and October 2026. The experts have met twice and prepared Scott Schedules. This exercise has proven beneficial in bringing definition to the precise issues in dispute between them.

[10] By agreement, the case proceeded on the basis of the experts giving their evidence concurrently.

The agreed valuations

[11] The experts have agreed the following valuations as of 31 December 2024:

SL	£151,206
S2L	£74,002
S3L	£13,472
NewCoL	€NIL

The disputed valuations

[12] The issue at this hearing is the value of the shareholding in HL which is effectively determined by the value of its interest in its subsidiary M Ltd. The date of valuation is agreed at 31 December 2024. The experts figures are as follows:

	M LTD	**HL**
KPMG	€21,397,257	€21,570,255
HM	€11,616,650	€11,789,650
Difference	€9,780,607	€9,780,605

The role of the court

[13] These are ancillary relief proceedings and the court's approach is therefore guided by the provisions of the Matrimonial Causes (Northern Ireland) Order 1978 ("the 1978 Order"). The distribution of assets on divorce is governed by a touchstone of fairness, informed by specific regard being had to the factors set out in Article 27 of the 1978 Order.

[14] In arriving at a valuation of an asset such as shares in a private company, the court is not engaging in the same exercise as may be undertaken by a potential purchaser. The company has not been exposed to the rigours of the market nor has there been due diligence undertaken.

[15] In this regard, I bear in mind the comments of King LJ in *Versteegh v Versteegh* [2018] EWCA Civ 1050:

> "The valuation of private companies is a matter of no little difficulty. In *H v H* [2008] EWHC 935 (Fam), [2008] 2 FLR 2092 Moylan J said at [5] that 'valuations of shares in private companies are among the most fragile valuations which can be obtained.' The reasons for this are many. In the first place there is likely to be no obvious market for a private company. Second, even where valuers use the same method of valuation they are likely to produce widely differing results. Third, the profitability of private companies may be volatile, such that a snap shot valuation at a particular date may give an unfair picture. Fourth, the difference in quality between a value attributed to a private company on the basis of opinion evidence and a sum in hard cash is obvious. Fifth, the acid test of any valuation is

> exposure to the real market, which is simply not possible in the case of a private company where no one suggests that it should be sold. Moylan J is not a lone voice in this respect: see *A v A* [2004] EWHC 2818 (Fam), [2006] 2 FLR 115 at [61]–[62]; *D v D* [2007] EWHC 278 (Fam) (both decisions of Charles J)." (para [185])

[16] The figure which I arrive at will not be determinative of the pool of assets available for distribution. There may be arguments, for instance, as to whether the shares in HL are property to be regarded in whole or in part as matrimonial property – see the judgment of the High Court in England & Wales in *GA v EL* [2023] EWFC 206.

The market valuation method

[17] The definition of market value is well-established as being:

> "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion." (International Valuation Standards 102, A10.01)

[18] The market valuation method, agreed by the experts to be appropriate to the valuation of M Ltd, requires:

(i) The calculation of adjusted EBITDA (earnings before interest, tax, depreciation and amortisation);

(ii) The determination of the multiple;

(iii) The application of the multiple to arrive at the enterprise value;

(iv) Adjustments to the enterprise value for cash and debts to arrive at the equity value.

[19] M Ltd is a successful trading company. Its turnover has risen year on year from around €8M in 2020 to over €14.5M in 2024, an increase of over 80%. In turn its net profit has risen from about €1.2M in 2020 to over €1.7M in 2024, an increase of some 45%. The book value of its net assets in 2024 was €7.5M, over double the figure for 2020.

[20] The EBITDA for M LTD has risen from just over €1M in 2022 to €1,85M in 2024.

[21] The experts agreed that the EBITDA figures for the last three financial years require to be adjusted to take account of non-recurring figures such as grants, bad debts, legal and professional fees and directors' remuneration. By this method, the accountants seek to establish a figure for maintainable earnings, such earnings as a hypothetical willing purchaser would expect to maintain into the future.

	FY22	**FY23**	**FY24**
EBITDA	1,086,402	1,429,492	1,857,141
Adjusted KPMG	1,754,163	2,212,553	2,829,124
Adjusted HM	1,735,730	2,198,122	2,739,261
Difference	18,433	14,431	89,863

[22] The difference in respect of these adjusted figures is accounted for by "sundry income" which, according to Mr O'Donnell did not represent regular income and therefore ought to be deducted in the adjustment process. However, on questioning, he was not able to identify what this income represented nor why it was not regular. Given the lack of evidence on this issue, I propose to treat the "sundry income" in the same manner as any other income for the company. The larger difference in respect of FY24 is explained by a figure for legal and professional costs of €72,990 which is added back by KPMG as being a non-recurring expense. Originally, Mr O'Donnell took a different view but at the hearing he accepted this was the correct course to take. I will therefore proceed on the basis of the KPMG adjusted figures.

The issues in dispute

[23] Essentially, the difference between the experts in relation to their ultimate valuations of M LTD resolved to the following:

(i) The appropriate adjustment to be made in relation to the replacement of TB;

(ii) The "client concentration" issue and its impact on the weighting to be attached to each of the last three years' EBITDA; and

(iii) The appropriate multiple to be applied to the adjusted EBITDA.

[24] Their respective positions can be summarised:

	FY22 KPMG	**FY23 KPMG**	**FY24 KPMG**	**FY22 HM**	**FY23 HM**	**FY24 HM**
Adjusted EBITDA	1,754,163	2,212,553	2,829,124	1,735,730	2,198,122	2,739,261
Replacement Salary	(260,000)	(260,000)	(260,000)	(560,000)	(560,000)	(560,000)
Pension	(20,800)	(20,800)	(20,800)	(44,800)	(44,800)	(44,800)
PRSI	(28,990)	(28,990)	(28,990)	(62,440)	(62,440)	(62,440)

Adjusted EBITDA	1,444,373	1,902,763	2,519,334	1,068,490	1,530,882	2,072,021
Weighting	1	2	3	1	1	1
Normalised EBITDA			**2,134,650**			**1,557,131**
Multiple			**7.5**			**4**
Enterprise value			**16,009,878**			**6,228,524**
Agreed cash/debt adjustments			5,387,379			5,388,126
Equity value			**21,397,257**			**11,616,650**

The role of TB

[25] In his report, Mr O'Donnell describes TB as the "driving force" behind the company for the last decade and asserts that she performs a role above and beyond that of a traditional CEO.

[26] At the hearing, the court had the benefit of evidence from Mr L who has been involved with M LTD in an advisory capacity since 2008. He also stressed the importance of TB's skills and industry to the business. In his opinion her span of duties constitutes a "significant risk" for the company.

[27] In August 2024, the company appointed a new CEO and TB assumed the role of executive chair. This arrangement continued until March 2025 when the new CEO departed and TB resumed that position, which persists to the present day.

[28] Each of the experts has placed reliance on the Brightwater Executive Salary Survey for 2025 which deals with the levels of senior executive pay in Ireland. In industry and commerce, the base salary for a CEO ranges from €180,000 to €450,000. In the financial services sector, the range is said to be from €260,000 to €600,000. In the opinion of Mr O'Donnell, given the size and nature of M LTD, a replacement salary of €450,000 for a CEO would have been appropriate.

[29] The experts are agreed that any replacement employee would also generate costs in terms of pension contributions (at 8% of salary) and Pay Related Social Insurance ("PRSI") at the prevailing rate of 11.15%.

[30] In Mr O'Donnell's opinion, the employment of one senior leadership figure would not have sufficed to replace TB and therefore a Chief Operating Officer ("COO") would also have been required at a salary of €110,000.

[31] Mr Neill has considered the evidence provided in relation to TB's particular role in the company but does not accept that these provide sufficient evidence that a hypothetical purchaser would incur a replacement cost for her, in salary terms, of

€560,000 per annum. In terms of the Brightwater report, he expresses the view that the top end of the ranges referred to are appropriate for CEOs of public limited companies and multinational enterprises rather than an SME like M LTD. He considers that the bottom end of the range for a financial services CEO, €260,000 per annum, represents a reasonable figure for remuneration.

[32] In relation to the specific point around employment of a COO as well as a CEO, he points out that the EBITDA under consideration has been generated under the existing management structure. If an additional employee were to be taken into account, an analysis would have to be carried out in relation to the consequential economic benefit to the company.

[33] Unusually, in this case, the question of the appropriate level of CEO salary as of 31 December 2024 is not a hypothetical matter. M LTD had engaged a new CEO in August 2024. During the course of the hearing, disclosure was made in relation to the salary package enjoyed by that individual. She was paid a basic salary of €250,000 with an additional allowance of €11,000 and an annual bonus of 25%.

[34] The best available evidence in relation to CEO remuneration is reflected in the package enjoyed by the CEO at the relevant time. However, I do recognise that TB was playing a continuing executive role at this time as chair of the company. A hypothetical purchaser would, in my opinion, factor in that the executive would need to be strengthened in the absence of TB and an additional employee, in the form of a COO, would need to be engaged. From the figures in the Brightwater survey, I have concluded that the appropriate salary for such an individual would have been €110,000. Thus, whilst the company would be saving on the remuneration payable to TB, it would still have to pay a basic salary of €360,000 for the CEO and COO going forward. The court was not provided with any evidence as to whether the bonus was contractual or discretionary or, indeed, the performance indicators which would have triggered any bonus payment. A hypothetical purchaser would not assume that bonus payments would be earned in the future and therefore I have determined that it would not be appropriate to take this bonus entitlement into account in the adjustment process.

[35] On that basis, the EBITDA requires to be adjusted by a figure of €430,200, representing the €360,000 salary together with pension contributions at 8% (€28,800) and PRSI at 11.5% (€41,400).

The client concentration issue

[36] M LTD has two key clients, described as Client 1 and Client 2. In 2024, Client 1 accounted for 26.9% of turnover and contributed 21% of its gross profit. Since then, this work has been reducing and it is anticipated that the work will cease in 2027.

[37] In 2024, Client 2 accounted for 49.7% of turnover and contributed 59% of the gross profit of M LTD. Client 2's "type 1 transactions" have a different margin profile, generating a higher margin than ordinary business.

[38] At the time of the experts' reports, it was foreseen that Client 2 would be seeking to re-tender its work and it was recognised that this presented a challenge to M LTD. More recently, it has transpired that M LTD has reached the final stage of that tender process (along with two other economic operators). M LTD is providing a nearshore place of business as part of this process. Client 2 has recently stated that it may seek to engage all three entities on a panel basis. If this occurs, there will be no contractual guarantee of any particular amount of work.

[39] The company has been concerned for some years that the type 1 transactions and their higher margin would cease to be enjoyed. However, there has been a delay in the automation process by Client 2 and therefore these have continued for a longer period than anticipated. This position is not expected to last beyond the end of 2027, even if the company is successful in the re-tender process.

[40] The company produced projections for the financial years 2025, 2026 and 2027 in light of the anticipated reduction in business being transacted for Client 1 and Client 2. In summary, these forecast a decline in revenue, an increase in labour cost, a reduction in profit margin and a significant decline in EBITDA. The figures are:

	FY25	**FY26**	**FY27**
Turnover	13,924,362	12,547,552	13,168,109
Net profit	633,251	259,014	237,013
EBITDA	868,315	539,631	498,068
Adjusted EBITDA	326,039	233,699	208,446

[41] In the opinion of Mr O'Donnell any prospective purchaser was likely to place more significance on the company's projected outlook than on past financial performance. Mr Neill fundamentally disagreed, contending that past performance is ascertainable and certain and provides a much more reliable picture than projections which, are by their nature, speculative.

[42] As will be seen, Mr O'Donnell's view of the significance of these projections played a central role in his analysis of the weight to be attached to EBITDA figures and also to the appropriate multiple to be applied.

[43] In the event, with the passage of time, there were available to the court the actual figures for 2025 and to August 2026. These reveal:

	FY25	**YTD AUG 26**
Revenue	10,091,669	9,721,181
Net profit	1,242,106	1,199,908
EBITDA	1,349,158	907,681

[44] It will immediately be apparent that the company has outperformed the projections by a very significant factor. The net profit for 2025 was double the projected figure. The EBITDA was 55% higher than predicted. As far as 2026 is concerned, the net profit figure for the first eight months of the financial year is already five times that projected for the full year. The EBITDA is almost double the full year forecast.

[45] Of course, these figures would not have been known to the hypothetical purchaser on 31 December 2024 and I have not taken them into account in the valuation exercise. However, in relation to the appropriate methodology, they do illustrate that actual performance is a much more reliable indicator than projected figures.

[46] This is not the first time in the company's history that its actual performance has proven to be significantly ahead of projections. In November 2017 projections were provided to the advisory board for the financial years 2018, 2019 & 2020. The actual figures were well in advance of those which had been forecast.

[47] Similarly, in the report prepared by Mr Black, considerable reliance was placed on projections for the financial years 2022, 2023 & 2024. The comparison between the projections and the actual figures is striking:

	FY22	**FY23**	**FY24**
Projected turnover	8,030,760	8,429,824	9,090,630
Actual turnover	9,797,740	11,672,344	14,583,519
Projected net profit	628,344	543,885	624,229
Actual net profit	1,045,989	1,335,828	1,799,672
Projected EBITDA	794,744	718,778	807,867
Actual EBITDA	1,086,402	1,429,492	1,857,141

[48] There is a theme that projections produced by the company, no doubt on a prudent basis, for eight separate financial years proved to be unreliable forecasts and underestimated the revenue, net profit and EBITDA for the year in question.

[49] A well-informed purchaser, carrying out the requisite due diligence in 2024, will have recognised that the projections were repeatedly outperformed by the company's actual trading figures. It is unlikely that this purchaser would therefore have carried the same level of concern repeatedly stressed by Mr O'Donnell in his evidence. I therefore prefer the evidence and approach of Mr Neill on this issue.

The Third Party litigation

[50] The court has had sight of the pleadings to date in an action brought by a third party in his personal capacity and as trustee of the third party's family trust. These proceedings issued in May 2024 and the defendants are HL, M LTD, the petitioner and

the respondent. The pleaded case is that the named individuals asked the third party to invest €500,000 in M LTD in 2010 on the basis of an oral agreement that he would receive 25% of the shareholding in M LTD. In breach of this agreement, these shares would never be transferred to the third party. Specific performance of the agreement, or damages in the alternative, is sought.

[51] In May 2016, the third party entered into a deed of trust whereby he settled the shares in trust with members of his family as beneficiaries.

[52] No defences have, as yet, been served. TB has stated that the claim will be strenuously contested but little else is known. There are a number of peculiarities surrounding the claim:

(i) There does not seem to be a single document either constituting an agreement to transfer a considerable shareholding or evidencing same;

(ii) The plaintiff did not take any action to enforce the alleged agreement for a period of 14 years; and

(iii) Two and a half years after issue of proceedings there has been virtually nothing done.

[53] These do not suggest a claim which is either particularly strong or is being pursued with any vigour. Beyond that, it is difficult to gauge the merits.

[54] Mr O'Donnell sets out the nature of the claim in his report and exhibits the relevant documents before concluding:

> "I have not considered or quantified the impact of the potential dilution of shareholding in either HL or M LTD."

[55] The petitioner invites the court to take account of the third party litigation in some unspecified manner without adducing any evidence in relation to it or having any expert evidence to support such a position.

[56] Mr Neill has alluded to a number of steps a potential purchaser may seek to take in order to deal with the outstanding claim:

(i) Require the vendor to bring the claim to a conclusion;

(ii) With the agreement of the plaintiff, place a sum of money in escrow and allow the case to proceed as an argument over entitlement to the money's worth of the shares rather than the shares themselves;

(iii) Obtain relevant warranties and indemnities from the vendor to protect the purchaser from the consequences of an adverse finding in the litigation; or

(iv) Defer a percentage of the consideration payable pending the outcome of the case.

[57] On the evidence, I am satisfied that whilst this claim would be a concern to a potential purchaser (and would have been as at 31 December 2024), there would have been available to experienced negotiators sufficient means to afford the purchaser the necessary comfort to complete the transaction and ensure that any litigation risk remained with the vendor.

Weighting

[58] In his calculation, Mr O'Donnell has afforded equal weight to each of the last three financial years in arriving at his figure for the normalised EBITDA, so it is represented by a straight average of those three figures. Mr Neill has adopted a weighted average approach, which accords most importance to the most recent year, then the previous year, then the first year on a 3:2:1 ratio.

[59] Applying such a weighting is common practice in company valuation since it serves to place the greatest store on the company's most recent performance. Mr O'Donnell accepted that this was the orthodox approach to valuations by this method. In his opinion, however, this ought to be departed from in this case due to the ongoing uncertainty surrounding Client 1 and Client 2.

[60] In Mr Neill's view, the orthodox approach ought to prevail and the risks and uncertainties engendered by the client issues properly reflected in the selection of the multiple.

[61] I agree with Mr Neill's analysis. The year on year performance of M LTD firmly establishes that it is appropriate to weight the most recent years' performance in the EBITDA calculation in line with standard practice. The proper approach is to address the anticipated headwinds by the adoption of an appropriate multiple.

Multiple

[62] The experts accept that the selection of the appropriate multiple is a matter of subjective judgement. The first place any expert will look for evidence to inform that judgement is to comparable transactions. These will always provide the best guide as to the appropriate level of multiple.

[63] Mr Neill has identified, and relies upon, two purported comparable transactions. The first of these occurred in 2014 when the business of Comparable 1 was purchased by Acquirer 1 for €35M, with an estimated multiple of 10.3. The second entailed the purchase of Comparable 2 by Acquirer 2, in a deal worth €150M, with the multiple being 14.

[64] The limitations of these as direct comparables has been acknowledged. Whilst both companies were Irish and operated in the same sector, one transaction was ten years old and the other was of a significantly larger scale. To account for these differences, Mr Neill took a discount of 30% from the average multiple of 14 to arrive at his original multiple figure of 8.5.

[65] Mr O'Donnell was quick to discount these transactions but did not himself bring any other comparable evidence to the table.

[66] Some other evidence could be gleaned from previous approaches made to purchase M LTD. In early 2018, an indicative offer was made of €14M, based on a multiple of 6.5 to 8.5 whilst another in late 2019 was in the sum of €17M, using a multiple between 8.6 and 12.2.

[67] A further unsolicited approach came forward in 2025, after the date of valuation, which was predicated on a multiple between 4 and 5. In none of these cases was a formal offer made. The 2025 purchaser evidently had concerns about a number of issues including client concentration, challenges in the sector generally, national minimum wage, pension contributions and the cost of doing business in Ireland generally.

[68] The factors which will influence the choice of multiple in the hypothetical sale transaction include:

(i) The historical growth and profitability of the company;

(ii) The number of skilled staff employed;

(iii) The cash and debt position on the balance sheet;

(iv) The customer base and concentration;

(v) The risks associated with the sector generally;

(vi) The brand identity.

[69] In his second report, having considered the available evidence, Mr Neill reduced his selected multiple from 8.5 to 7.5 in order to reflect the customer concentration and the evident uncertainty surrounding their business.

[70] Mr O'Donnell selected a multiple of 4 on the basis of the unsolicited approach made in 2025 and also the data produced in the BDO Private Company Purchase Index ("PCPI"). These figures relate to larger private companies and it is common practice to discount these for smaller companies to reflect such issues as owner dependency, a lack of customer diversity and higher volatility.

[71] The Q4 2024 average multiple was 9.7. In light of the challenges faced by M LTD, Mr O'Donnell discounted this to his figure of four.

[72] Having heard the witnesses, and considered the evidence relied upon by them, I have concluded that the appropriate multiple in this valuation is six.

[73] In arriving at this figure, I reject the contention advanced by either expert that the court should simply adopt the extreme of the range advocated by him. In my view, neither a multiple of 7.5 nor a multiple of 4 adequately reflects the full circumstances of M LTD as at 31 December 2024.

[74] M LTD possessed a number of features which would be attractive to a hypothetical purchaser. The company had demonstrated sustained growth in turnover and profitability over many years. Its adjusted EBITDA had increased significantly between 2022 and 2024. It employed an experienced workforce, operated in a specialist field and held substantial cash reserves. The evidence also disclosed previous expressions of interest in acquiring the business at values reflective of materially higher multiples than that ultimately advocated by Mr O'Donnell. These matters support a multiple above the figure of four.

[75] Equally, however, I do not consider that the full multiple proposed by Mr Neill sufficiently reflects the risks confronting the business at the valuation date. There was an unusually high degree of customer concentration. Client 1 and Client 2 together accounted for the majority of turnover and profit. The reduction in work from Client 1 was already foreseeable. The future of the higher margin Type 1 work undertaken for Client 2 was uncertain and the company faced an imminent re-tender process with no guarantee of retention of that business on existing terms. A hypothetical purchaser would inevitably have demanded a significant discount to reflect these risks.

[76] I also take into account the evidence relating to the dependence of the business upon TB's leadership and commercial relationships. Whilst I have made a specific adjustment for replacement management cost, a prudent purchaser would nonetheless recognise a degree of key-person risk associated with the business. In addition, although I do not regard the third party litigation as having such significance as to render the company materially unmarketable, its existence would constitute an additional factor likely to influence negotiations.

[77] Standing back and considering all of these matters in the round, I am satisfied that the proper course is to adopt a multiple materially below the 7.5 selected by Mr Neill but materially above the multiple of four advocated by Mr O'Donnell. In my judgment, a multiple of six properly reflects both the proven earnings capacity of the business and the substantial risks arising from customer concentration, future profitability and litigation. It represents the figure which a willing buyer and a willing seller, acting prudently and with full knowledge of the relevant circumstances, would most likely have arrived at as of the valuation date.

[78] In arriving at the figure, I have taken into account the following considerations:

(i) Whilst the completed 2014 and 2019 transactions are not direct comparables, they nonetheless provide some evidence of level of multiple applicable in this sector;

(ii) The PCPI figure requires to be discounted but not by 60%, a discount of around 40% is more appropriate;

(iii) The various approaches made to the company are of some limited assistance and the 2025 "offer" was made after the date of valuation. In any event, I see no reason to adopt the lowest of all possible multiples as Mr O'Donnell has sought to do;

(iv) The outworking of Mr O'Donnell's approach is to value the company at €11.7M when a non-binding offer was made in 2019 of €17M. Since 2020 the turnover of M LTD has risen by over 80%. In the same period its net profit has increased by 45%. It is inherently improbable, extraordinary even, that its value of the company had decreased by over 30% in the same period given the substantial growth achieved.

Valuation

[79] The findings of the court on the key areas of dispute therefore are:

(i) The replacement cost for TB should be factored in by an adjustment to EBITDA of €430,200;

(ii) The appropriate weighting for the last years EBITDA is 3:2:1 (FY 24:23:22);

(iii) The appropriate multiplier is six.

[80] Applying those conclusions to the figures gives the following:

	FY22	**FY23**	**FY24**
Adjusted EBITDA	1,754,163	2,212,553	2,829,124
Replacement salary	(360,000)	(360,000)	(360,000)
Pension	(28,800)	(28,800)	(28,800)
PRSI	(41,400)	(41,400)	(41,400)
Adjusted EBITDA	**1,323,963**	**1,782,353**	**2,398,924**
Weighting	1	2	3
Normalised EBITDA			**2,014,240**
Multiple			6
Enterprise value			**12,085,441**

Agreed adjustment			**5,387,379**
EQUITY VALUE			**17,472,820**
			€17,500,000

[81] Having approached the matter of valuation in line with the approach of the experts, it is of assistance to conduct a cross-check by standing back from the detail of the figures and assessing whether, in light of what was known at the time, €17.5M is a fair valuation of the shareholding in M LTD.

[82] The following are the key factors when considering the value of this company:

(i) It has traded strongly for the past decade, increasing turnover and profit year on year;

(ii) The EBITDA figures for each of the three years 2022-2024 show an increase of 71%;

(iii) By year end 2024, the company had €5.7M cash in the bank;

(iv) By year end 2024, the company's net asset value stood at €7.5M;

(v) The figures for 2025 and 2026 demonstrate continued growth and profitability, well in excess of the company's projections;

(vi) Client 1 and Client 2 accounted for some 77% of turnover which represents a significant issue for the company in terms of concentration;

(vii) There was an expectation, at 31 December 2024, that the volume of work from Client 1 would reduce substantially, a forecast that has come to pass;

(viii) The higher margin work for Client 2 was likely to disappear;

(ix) Client 2 was seeking to re-tender the business;

(x) The company faced litigation of uncertain outcome from the third party family.

[83] The valuation of €17.5M properly reflects, in my opinion, both the uncertainties generated by the client issues but also a recognition of the core qualities of the M LTD business in a specialist market.

Valuation of shareholding in HL

[84] Having valued the shareholding in M LTD at €17.5M, one must then add in the agreed valuation figures for the two subsidiary companies, SL and S2L. In sterling these total £225,208. Applying the exchange rate at 31 December 2024 this equates to €272,337.

[85] I therefore value the petitioner's shareholding in HL as at 31 December 2024 at €17,772,337.

[86] The value of the petitioner's shares in S3L has been agreed at £13,472.

[87] The costs of this hearing will be reserved to the trial judge. I will give directions towards an FDR hearing and, if necessary, a final hearing of the claim for ancillary relief.