

Learn the 5 Simple Steps To Value a Medical Services Provider Company

STEP 1

What is the Collective Ordinary income of the practice for 36 months based on tax returns? (Not Gross Revenue)

STEP 2

What is the \$ amount when you divide the total ordinary income of 36 months by 3, addback depreciation, and subtract compensation of all employees and partners

STEP 3

How Many New Providers has the company hired in the past 3 years?

STEP 4

In the last 3 years have profit margins remain similar in trend?

STEP 5

Apply the multiple suggested below based on the \$ amount calculated in step 2.

Apply 3x if ordinary income of \$1mm+ and added 1 provider.

Apply 4x if ordinary income of \$2mm+ and added 2+ providers.

Apply 5x if ordinary income of \$3m+ and added 4+ providers.

If your company is below \$1M in ordinary income and you are seeking ways to increase your group size or patient volume, please request a call on our website.

FINAL STEP

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