

Radiation Therapy Valuation Overview



Radiation therapy is an important method of treatment for a variety of types of cancers. Radiation therapy centers tend to have high margins and generate solid returns on capital for their investors despite very high ongoing capital expenditure requirements related to expensive machinery and equipment.

KEY FACTORS THAT INFLUENCE RADIATION THERAPY VALUATIONS

- Control-level of subject interest
- Size of company
- Diversity and sustainability of referral sources
- Age and condition of facility & equipment
- Technology
- Service mix (IMRT, IGRT, etc.)
- Growth opportunities
- Payer mix
- Local competition and barriers to entry

MARKET DATA FROM CONTROLLING INTEREST TRANSACTIONS

	Size Characteristics			Benchmarks		
	Price (EV)	Revenue	EBITDA	EBITDA Margins	Revenue Multiple	EBITDA Multiple
10th Percentile	\$ 8,554,087	\$ 4,762,072	\$ 1,353,112	14.6%	0.7	3.9
25th Percentile	\$ 12,729,737	\$ 6,425,250	\$ 2,224,500	22.2%	1.0	4.1
Median	\$ 22,900,000	\$ 12,459,000	\$ 5,300,000	28.0%	1.4	4.6
75th Percentile	\$ 105,374,500	\$ 24,825,000	\$ 21,431,500	38.0%	2.0	5.8
90th Percentile	\$ 154,443,361	\$ 50,198,400	\$ 28,094,200	48.1%	2.7	9.5

Source: Scope Research

Contact BFMV at info@buckheadfmv.com for more details related to radiation therapy market data, answers to questions regarding valuation issues, or a proposal. BFMV is committed to providing fast, affordable and pain-free valuation services to healthcare organizations and their representatives. Visit buckheadfmv.com for more segment summaries.