## **Dialysis Center Valuation Overview**









Dialysis centers are an important component of the healthcare industry, as ESRD patients account for less than 1% of the Medicare population, but roughly 7% of the budget. As a result, their care is crucial to population health strategies. Dialysis centers also tend to have solid margins and generate strong returns on capital for their investors.

## KEY FACTORS THAT INFLUENCE DIALYSIS VALUATIONS

- Control-level of subject interest
- Age and composition of referring physicians
- Size of the facility or company
- Case mix (hemodialysis vs. peritoneal)

- Growth opportunities
- Payer mix (mostly Medicare, but commercial payers pay much higher rates and account for most industry profit)
- Local competition and barriers to entry
- Age and condition of facility & equipment

## MARKET DATA FROM CONTROLLING INTEREST TRANSACTIONS

	Size Characteristics						Benchmarks		
							EBITDA	Revenue	EBITDA
		Price (EV)		Revenue		EBITDA	Margins	Multiple	Multiple
10th Percentile	\$	1,117,084	\$	2,967,840	\$	193,486	7.3%	0.6	5.9
25th Percentile	\$	5,720,575	\$	4,354,042	\$	782,227	15.4%	1.1	6.6
Median	\$	14,809,378	\$	9,668,484	\$	2,267,614	20.5%	1.7	7.1
75th Percentile	\$	43,739,500	\$	180,942,000	\$	6,146,496	29.1%	2.0	8.0
90th Percentile	\$	619,921,300	\$	342,400,000	\$	63,213,700	42.6%	3.2	10.5

Source: Scope Research

Contact BFMV at <a href="info@buckheadfmv.com">info@buckheadfmv.com</a> for more details related to dialysis 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 <a href="buckheadfmv.com">buckheadfmv.com</a> for more segment summaries.