

Inpatient Behavioral Health Valuation Overview



Inpatient behavioral health facilities play an important role within the healthcare industry for patients who need a higher level of care for psychiatric, addiction, and other disorders. Inpatient behavioral health facilities often generate solid margins and returns on capital for their investors.

KEY FACTORS THAT INFLUENCE BEHAVIORAL HEALTH VALUATIONS

- Size of the facility or company
- Service mix
- Diversity and sustainability of referral sources
- Reliance on out-of-network payments
- Growth opportunities
- Payer mix
- Local competition and barriers to entry
- Age and condition of facility & equipment
- Control-level of subject interest

MARKET DATA FROM CONTROLLING INTEREST TRANSACTIONS

	Size Characteristics			Benchmarks		
	Price (EV)	Revenue	EBITDA	EBITDA Margins	Revenue Multiple	EBITDA Multiple
10th Percentile	\$ 8,980,000	\$ 6,520,000	\$ 1,384,288	9.1%	0.8	6.0
25th Percentile	\$ 28,481,000	\$ 12,200,000	\$ 3,055,865	13.3%	1.2	7.3
Median	\$ 62,700,000	\$ 42,735,203	\$ 6,090,000	19.7%	1.8	9.0
75th Percentile	\$ 160,499,500	\$ 152,000,000	\$ 13,855,334	26.3%	2.3	10.8
90th Percentile	\$ 536,800,000	\$ 272,560,000	\$ 54,000,000	32.6%	2.8	12.2

Source: Scope Research

Contact BFMV at info@buckheadfmv.com for more details related to behavioral health 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.