

Surgical Hospital Valuation Overview



As a low-cost venue for performing surgeries that require hospitalization, surgical hospitals are an important component of the healthcare industry. They can further a health system's population health and physician alignment strategies, tend to have high margins, and generate solid returns on capital for their investors.

KEY FACTORS THAT INFLUENCE SURGICAL HOSPITAL VALUATIONS

- Control-level of subject interest
- Reliance on out-of-network payments
- Age, composition, and ownership percentage of physicians
- Size of the facility or company
- Growth opportunities
- Specialty and case mix
- Payer mix
- Local competition and barriers to entry
- Age and condition of facility & equipment

MARKET DATA FROM CONTROLLING INTEREST TRANSACTIONS

	Size Characteristics			Benchmarks		
	Price (EV)	Revenue	EBITDA	EBITDA Margins	Revenue Multiple	EBITDA Multiple
10th Percentile	\$ 19,938,591	\$ 16,954,212	\$ 3,268,953	10.5%	0.7	5.7
25th Percentile	\$ 33,703,000	\$ 34,945,512	\$ 5,088,606	12.1%	1.0	6.0
Median	\$ 70,980,392	\$ 46,708,556	\$ 10,993,754	14.6%	1.3	6.8
75th Percentile	\$ 160,711,000	\$ 56,276,593	\$ 15,897,057	27.7%	1.8	10.1
90th Percentile	\$ 300,833,106	\$ 323,884,713	\$ 41,818,244	28.8%	3.0	11.2

Source: Scope Research

Contact Will Hamilton, Partner, at whamilton@buckheadfmv.com for more details related to surgical hospital market data, answers to questions regarding valuation issues, or a proposal. BuckheadFMV is committed to providing fast, affordable and pain-free valuation services to healthcare organizations and their representatives. Visit buckheadfmv.com for more segment summaries.