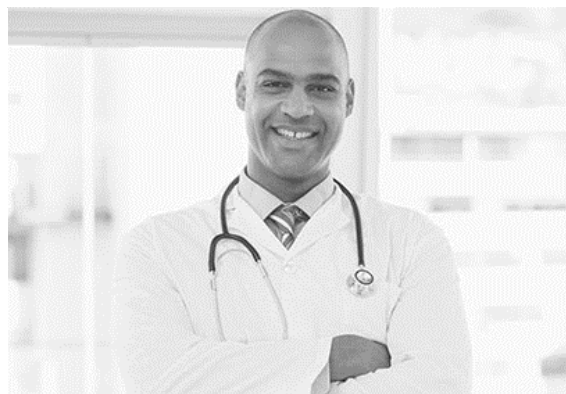


Physician Group Practice Valuation Overview



Large physician group practices are increasingly attractive to both private equity and health system buyers. Practices with strong management and operating models, in specialties with significant ancillary or procedure-based revenue opportunities, or with a history of success with advanced payment models are particularly attractive.

KEY FACTORS THAT INFLUENCE PHYSICIAN GROUP PRACTICE VALUATIONS

- Control-level of subject interest
- Reliance on out-of-network payments
- Age, composition, and ownership percentage of physicians
- Size of group practice
- Growth opportunities
- Specialty mix and ancillaries
- Payer mix
- Local competition and market
- 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	\$ 7,025,000	\$ 7,159,005	\$ 1,428,745	7.1%	0.6	5.3
25th Percentile	\$ 197,674,375	\$ 71,327,656	\$ 15,950,516	10.2%	1.1	9.1
Median	\$ 478,250,000	\$ 350,000,000	\$ 45,000,000	13.5%	1.4	11.6
75th Percentile	\$1,150,000,000	\$ 774,500,000	\$ 92,500,000	18.0%	2.1	13.4
90th Percentile	\$2,792,786,500	\$ 2,735,188,400	\$ 245,150,000	24.4%	2.4	16.5

Source: Scope Research

Contact Will Hamilton, Partner, at whamilton@buckheadfmv.com for more details related to physician group practice 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.