

# 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

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