

Endoscopy Center Valuation Overview



As a low-cost venue for performing endoscopy procedures, endo centers are an important component of the healthcare industry. They can further a health system's population health and physician alignment strategies, tend to have very high margins and recurring revenue, and generate strong returns on capital for their investors.

KEY FACTORS THAT INFLUENCE ENDOSCOPY CENTER 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 | \$ 5,500,000 | \$ 2,165,274 | \$ 798,766 | 26.0% | 2.1 | 6.9 |
| 25th Percentile | \$ 6,464,905 | \$ 2,646,820 | \$ 940,766 | 35.2% | 2.7 | 7.2 |
| Median | \$ 9,618,673 | \$ 3,770,413 | \$ 1,174,575 | 41.8% | 3.1 | 7.5 |
| 75th Percentile | \$ 16,520,896 | \$ 5,045,016 | \$ 2,208,662 | 47.0% | 3.5 | 8.4 |
| 90th Percentile | \$ 23,090,909 | \$ 5,742,220 | \$ 3,121,659 | 56.1% | 4.1 | 9.4 |

Source: Scope Research

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