

Rehabilitation Hospital Valuation Overview



Rehabilitation hospitals play an important role within the healthcare industry for patients who need a higher level of care and more intense therapy. Joint ventures are very common for health system-owned units, as a partner can provide additional capital and rehabilitation-specific expertise. Rehabilitation hospitals often generate solid margins and returns on capital for their investors.

KEY FACTORS THAT INFLUENCE REHABILITATION HOSPITAL VALUATIONS

- Control-level of subject interest
- Size of the facility or company
- Diversity and sustainability of referral sources
- Case mix index
- Growth opportunities
- 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	\$ 31,120,000	\$ 16,705,191	\$ 3,182,177	6.9%	0.7	7.0
25th Percentile	\$ 45,000,000	\$ 32,566,328	\$ 5,900,000	10.4%	0.9	7.6
Median	\$ 56,500,000	\$ 60,973,000	\$ 8,370,000	16.0%	1.5	7.7
75th Percentile	\$ 90,000,000	\$ 110,400,000	\$ 11,500,000	21.5%	1.7	12.0
90th Percentile	\$ 355,460,000	\$ 209,800,000	\$ 27,600,000	24.3%	2.4	12.6

Source: Scope Research

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