

Common methods of estimating your practice value



I AM A:

SOLO PRACTITIONER

NET INCOME

- Your take-home dollars
- Factors in all of your expense
- What you're able to earn at the end of the day

EBITDA

Your earnings before interest, taxes, depreciation and amortization

ROI MODEL

- Examines the prior year's sales, or the prior 12 months' sales
- Looks at how much the practice originated



I AM A:

SMALL GROUP PRACTICE

NET INCOME

- Your take-home dollars
- Factors in all of your expense
- What you're able to earn at the end of the day

EBITDA

Your earnings before interest, taxes, depreciation and amortization



I AM A:

LARGE GROUP PRACTICE

MARKET RATE MULTIPLES

Typically determined by equity group trying to purchase the business

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