Dialysis Center Valuation Overview









Dialysis centers are an important component of the healthcare industry, as ESRD patients account for less than 1% of the Medicare population, but roughly 7% of the budget. As a result, their care is crucial to population health strategies. Dialysis centers also tend to have solid margins and generate strong returns on capital for their investors.

KEY FACTORS THAT INFLUENCE DIALYSIS VALUATIONS

- Control-level of subject interest
- Age and composition of referring physicians
- Size of the facility or company
- Case mix (hemodialysis vs. peritoneal)

- Growth opportunities
- Payer mix (mostly Medicare, but commercial payers pay much higher rates and account for most industry profit)
- Local competition and barriers to entry
- Age and condition of facility & equipment

MARKET DATA FROM CONTROLLING INTEREST TRANSACTIONS

	Size Characteristics						Benchmarks		
							EBITDA	Revenue	EBITDA
		Price (EV)		Revenue		EBITDA	Margins	Multiple	Multiple
10th Percentile	\$	1,117,084	\$	2,967,840	\$	193,486	7.3%	0.6	5.9
25th Percentile	\$	5,720,575	\$	4,354,042	\$	782,227	15.4%	1.1	6.6
Median	\$	14,809,378	\$	9,668,484	\$	2,267,614	20.5%	1.7	7.1
75th Percentile	\$	43,739,500	\$	180,942,000	\$	6,146,496	29.1%	2.0	8.0
90th Percentile	\$	619,921,300	\$	342,400,000	\$	63,213,700	42.6%	3.2	10.5

Source: Scope Research

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