













Business Overview

RE: Highly Profitable Pediatric Dental Practice

Specifications

 Price \$790,000	 Revenue \$824,161	 Cash Flow \$533,042
 Location Southwest Nebraska	 Service Area Patients from NE, KS and CO	 Reason for Sale Moving out of state
 Profit Margin 65%	 Equipment \$323,161	 Account Receivable \$76,435
 Valuation \$818,191	 Lease \$2,000	 Intangible Assets Established repeat client list



SUMMARY OF THE BUSINESS –

This Southwest Nebraska specialized clinic with 67% profit margin supports patients in Nebraska, Kansas and Colorado. The practice started less 9 years ago and has grown to revenues of \$825,317 in 2014. Current patient count is 4,411 with an average of 30-35 patients scheduled per day. The business receives referrals from 15 doctors.

The current Owner has four employees in place – 1 office/front desk and 3 assistants. Owner is the dentist on

staff. The 1248 sq. ft. office has 4 operatory rooms and one central play area.

Owner cash flow in 2015 annualized was \$475,733 representing 67% of the \$707,612 annualized gross sales for the year. The \$399,596 in assets included with the business include \$270,170 in machinery and equipment, \$11,748 in computer equipment, \$41,243 in furniture and fixtures, and \$76,435 in accounts receivable. Machinery and equipment include 2 BIOLASE turbo lasers and Dexis digital x-ray equipment.

Current Owner will assist with transition and training for a period of 90 days post-close. Office is currently open from 2-5 pm on Mondays and 8am-5pm Tuesday through Thursday, so a new Owner could expand practice hours to increase gross sales.

With a cash flow of \$475,733, a new Owner could retain \$347,893 in net operating income after debt service and would realize a 440% return on investment on a \$79,000 down payment.

Business Highlights

- Been established since 2008
- Servicing patients located in Nebraska, Kansas, and Colorado
- Located in Southwest Nebraska
- Active Patients is 4,411
- Seeing an average of 30-35 patients daily
- Currently has 15 referring doctors to the clinic
- Staffed with 1 Office/Front Desk personal and 3 Assistants
- Growth Potential would be by expanding office hours

Financial Highlights

- List Price: \$790,000
- Gross Sales
 - 2016: \$824,161
 - 2015: \$743,655 – *owner was severely injured for 1.5 months and was unable to practice*
 - 2014: \$825,317
 - 2013: \$762,619
- Owner Profit/Cash Flow
 - 2016: \$533,42
 - 2015: \$481,289
 - 2014: \$540,484

- 2013: \$482,213
- Profit Margin: 65%

Assets Included: \$399,596

- Machinery & Dental Equipment: \$270,170 (includes 2 BIOLASE turbo lasers, Dexis digital x-ray equipment)
- Computer Equipment: \$11,748
- Furniture & Fixtures: \$41,243
- Accounts Receivable: \$76,435 (current to 90 days)
- Intangible Assets: Established repeat client list
- Build-out: \$115,873

**amounts may vary*

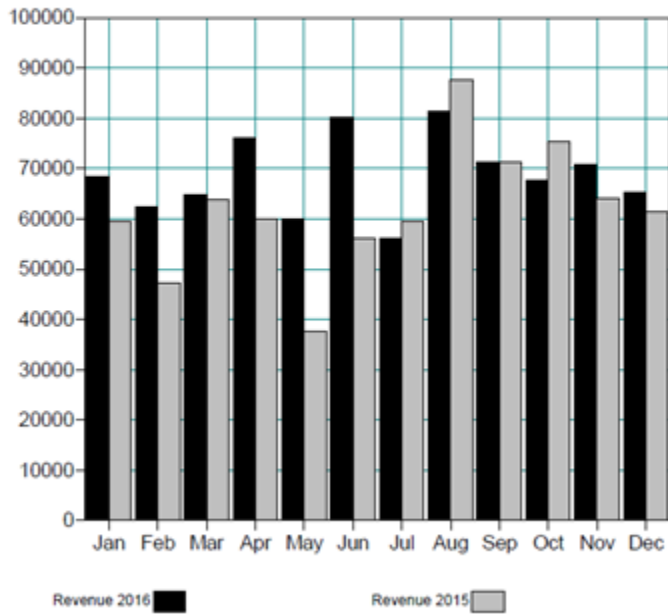
Cash Flow Analysis

Description of Financial Statement	P&L Statement January - December	Tax Return	Tax Return	Tax Return	Tax Return	Notes
	2016	2015	2014	2013	2012	
GROSS SALES	\$824,161	\$743,655	\$825,317	\$762,619	\$760,069	Seller severely injured for 1.5 months in 2015
Net Income Shown on Financial Statement	\$198,964	\$131,176	\$211,934	\$270,933	\$378,917	
ADDBACKS						
Compensation to Owner	\$285,642	\$292,237	\$269,229	\$150,752	\$0	
Other unrelated Salaries	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	Wife's Salary
11% Tax on total W2 Salaries	\$32,135	\$32,861	\$30,330	\$17,298	\$715	
Depreciation	\$2,418	\$7,707	\$8,574	\$20,634	\$73,020	Non-cash item
Interest	\$6,833	\$10,459	\$13,077	\$15,409	\$31,104	Non-ongoing expense
Meals & Entertainment	\$550	\$349	\$840	\$687	\$1,033	Expenses unrelated to business
TOTAL ADDBACKS	\$334,078	\$350,113	\$328,550	\$211,280	\$112,372	
Seller's Cash Flow = Total Addbacks + Net Income	\$533,042	\$481,289	\$540,484	\$482,213	\$491,289	
Profit Margin	64.68 %	64.72 %	65.48 %	63.23 %	64.64 %	

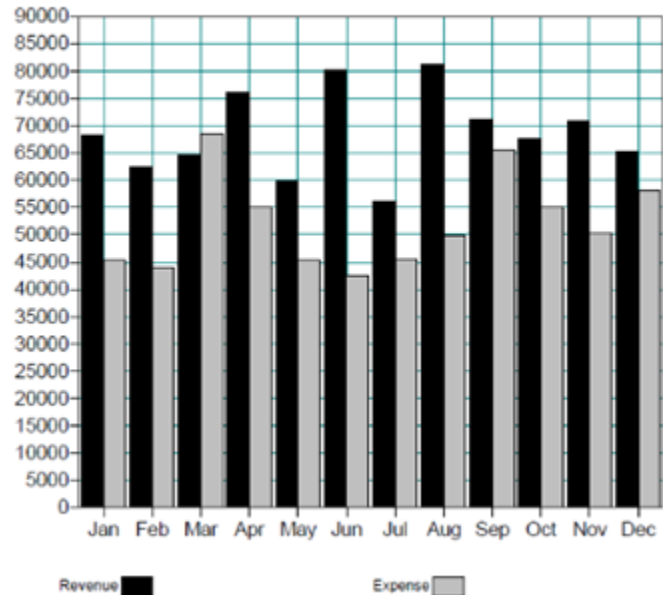
- 65% profit margin in 2016
- 9.7% increase in gross sales from 2015 to 2016
 - Owner had a severe injury that prevented working for 1.5 months during 2015

Sales Analysis

REVENUE COMPARISON



Revenue vs. Expense - 2016



- Total revenue in 2016 was \$824,161 compared to \$743,655
- Revenue outpaced expenses for every month except March

Services

With referrals from 15 doctors and an average of 30-35 patients seen per day, this pediatric practice has over 4,400 patients across Nebraska, Kansas and Colorado. Services provided include:

- Oral health for children from infancy through teenage years
- Dental emergencies
 - Toothache
 - Cut or bitten tongue, lip or cheek
 - Knocked out permanent tooth or baby tooth
 - Chipped or fractured permanent tooth or baby tooth
 - Severe blow to the head
 - Possible broken or fractured jaw
- Dental radiographs (x-rays)



- Pulp therapy
- Sealants and fluoride treatments
- Mouth guards
- Sedation
 - Nitrous oxide
 - Conscious sedations
 - Outpatient General anesthesia

Employees

- This is an owner/operator dental practice, and as it has a pediatric focus, there is no need for dental hygienists.
- There are a total of 4 employees:
 - 1 office/front desk manager
 - 3 assistants

Valuation Details

The Firm Business Brokerage used a Cash Flow Valuation methodology to determine the Purchase Price of the business. The formula used is as follows:

$$\text{Cash Flow} \quad \times \quad \text{Multiplier} \quad = \quad \text{Price}$$

“Cash flow” is the sum of net income plus any owner perks and non-onward going expenses.

“Multiplier” is a prescribed number between 1 and 5 determined by a 100-point, 20-question rating system used to determine the business valuation (average is 3).

The Cash Flow for 2015 annualized is \$475,733. The prescribed multiplier is 1.7

With this information, the computation result follows:

$$\$481,289 \quad \times \quad 1.7 \quad = \quad \$818,191$$

The List Price for the business is set at \$790,000. The business is discounted due to the Seller’s desire to move out of state.

Using the Cash Flow of \$481,289, the Buyer’s Net Operating Income after debt service would be \$353,449. Assuming a 10% Buyer down payment on the Purchase Price \$790,000, the Return on Investment in the first year would be four-fold.

To receive a full financial package and specific information regarding this business:

1. Complete the Qualified Buyer Documents (Non-Disclosure Agreement and Buyer Questionnaire) [on our website](#) or print, scan and return the attachments to info@TheFirmB2B.com
2. Call The Firm Business Brokerage at 402.998.5288 to schedule an appointment or conference call with a Broker.

The Firm currently has over 90 cash flowing businesses available. If you find that this is not a fit for you, please let us know and we would be happy to provide you with other opportunities.

The Firm makes no warranties or representation in consideration to the information provided above. All communication regarding this business must occur directly with The Firm Brokerage, LLC.