



Practice Valuation & Acquisition Analysis

PREPARED EXCLUSIVELY FOR

Dr. Sarah Collins, DDS

SUBJECT PRACTICE

Oakwood Family Dentistry

Raleigh, NC

SELLING DOCTOR: Drs. Michael & Laura Bennett

EVALUATION DATE

Oct 4, 2026

INTRODUCTION

Report Purpose & Important Disclosures

An overview of this report's scope, limitations, and reading conventions.

What Is This Report?

This report provides an acquisition-focused analysis of the subject dental practice to help the prospective buyer assess historical performance, normalized profitability, patient base, clinical production, operating efficiency, growth opportunities, purchase affordability, fair value, expected buyer economics, and transition risks. It is based on information provided by sellers, brokers, practice-management reports, financial statements, and other third parties. Where source data is incomplete, affected metrics are shown as *Not Provided* or *Not Calculated* rather than substituted with zero.

Important Disclaimer & Confidentiality

This is a sample report for demonstration purposes only. It uses a fictional practice and does not relate to any real business. Figures are illustrative and should not be relied upon for any actual decision.

How To Read This Report

-  **Green** — Favorable. The metric is at or better than benchmark.
-  **Yellow** — Requires Attention. The metric is slightly outside benchmark and warrants review.
-  **Red** — Material Concern. The metric is significantly outside benchmark and may affect value or viability.

Executive Decision Summary

The four questions that drive the acquisition decision.

1. IS THIS A GOOD PRACTICE TO BUY?

Attractive With Conditions

Reconciled opinion of value centers at approximately \$1.21M, placing the \$1.16M asking price within a reasonable range. The practice is well-run with durable earnings, offset primarily by replacement-doctor cost and clinical-scope gaps.

2. WHAT IS THE PRACTICE WORTH?

Built to Own Opinion of Value

\$697,567

Seller Asking Price **\$1,160,000**

Difference vs Opinion **\$462,433**

Asking / Opinion **166.3%**

Asking / Collections **75.1%**

3. CAN THE BUYER AFFORD IT?

Strong

Annual Debt Service **\$182,428**

Debt / Collections **10.9%**

Working Capital **\$75,000**

Base Owner Cash Flow **\$587,472**

4. WHAT COULD THE BUYER EARN?

Estimated Owner Cash Flow Before Personal Income Taxes

Conservative **\$548,227**

Base **\$587,472**

Upside **\$626,717**

PRIMARY DEAL FLAGS

Strengths

- **Rent %** — Rent is 6% of collections, within a healthy range.
- **Debt Service %** — Projected debt service is within the affordability target.
- **Price vs Revenue** — Asking price is 72% of revenue, within a typical range for this profile.

Watch Items

- **Payroll %** — Payroll is 30% of projected collections, above the 25% target; review staffing efficiency.
- **90+ Day A/R** — 11% of A/R is aged over 90 days; review collection follow-up.

Material Concerns

No flags recorded.

Practice Overview

Subject practice identity, location, and headline operating metrics.

PRACTICE INFORMATION

Practice Name	Oakwood Family Dentistry
Seller	Drs. Michael & Laura Bennett
Buyer	Dr. Sarah Collins, DDS
Location	Raleigh, NC
Specialty	Group
Entity	Not Provided
Transition Type	Not Provided
Facility Ownership	Not Provided
Monthly Rent	\$8,500
Square Footage	2,850 sq ft
Operatories	6
Clinical Days	Not Provided

LOCATION

Map imagery omitted — verify site during facility due diligence.

Oakwood Family Dentistry
4127 Oakwood Blvd, Suite 110 Raleigh, NC

HEADLINE METRICS

PREV-YEAR COLLECTIONS

\$1,610,000

ASKING PRICE

\$1,160,000

ACTIVE PATIENTS

3,100

MONTHLY NEW PATIENTS

58

HYGIENE VISITS

3,270

HYGIENISTS

3

ASSISTANTS

5

FRONT OFFICE

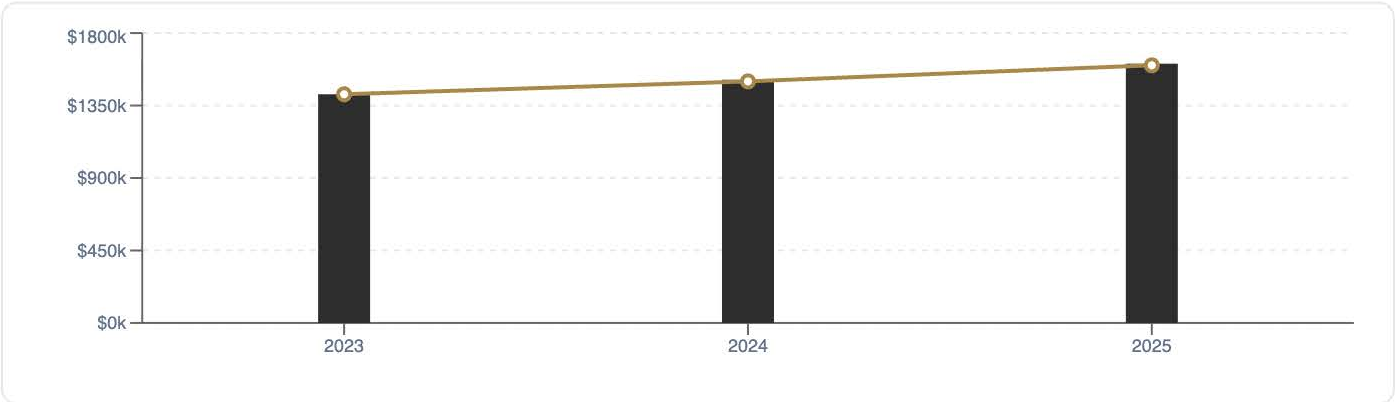
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Historical Financial Performance

Reported and adjusted collections before any valuation methodology is applied.

Historical Collections

YEAR	REPORTED COLLECTIONS	ADJUSTED COLLECTIONS	YOY GROWTH
2023	\$1,420,000	\$1,420,000	—
2024	\$1,510,000	\$1,500,000	6.3%
2025	\$1,610,000	\$1,600,000	6.6%



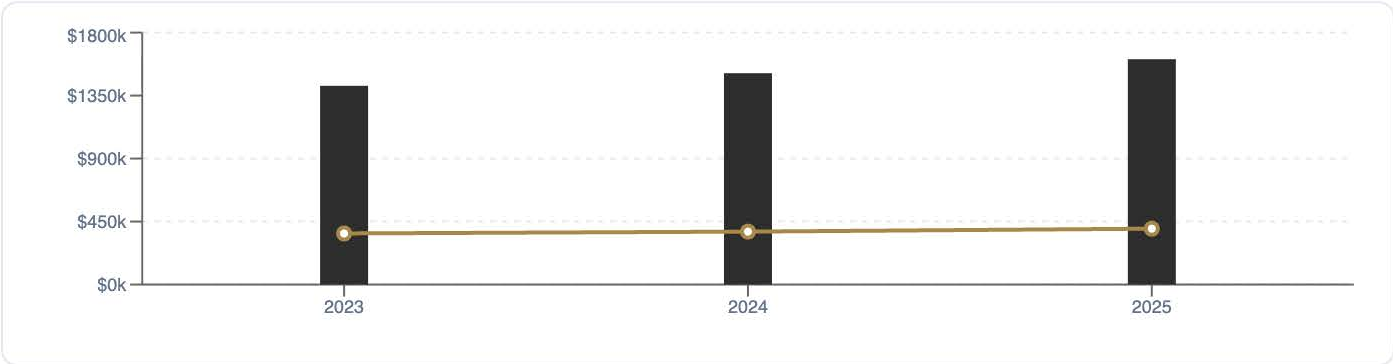
KEY OBSERVATIONS

- Collections trend is upward across the 3-year period, from \$1,420,000 to \$1,610,000.
- Year-over-year volatility is approximately 13.4% (peak-to-trough range).
- Compound annual growth rate (CAGR) is 6.5%.
- Latest-year reported collections are \$1,610,000.

Normalized Profitability

How profitable is the practice after removing seller-specific and unusual items?

YEAR	COLLECTIONS	REPORTED OP. EXP.	ADJUSTMENTS	NORMALIZED EXP.	ADJ. PROFIT	O/H %
2023	\$1,420,000	\$1,205,000	\$150,000	\$1,055,000	\$365,000	74.3%
2024	\$1,510,000	\$1,288,000	\$166,000	\$1,122,000	\$378,000	74.3%
2025	\$1,610,000	\$1,376,000	\$175,000	\$1,201,000	\$399,000	74.6%



Weighted Adjusted Practice Profit

The weighted adjusted practice profit — used as the earnings basis for the income approach — is **\$101,333** after replacement doctor compensation of \$285,000.

P&L Normalization Adjustments

Seller-specific and non-recurring items removed to reveal normalized profitability.

ACCOUNT	REPORTED	ADJUSTMENT	NORMALIZED	REASON
Owner payroll & benefits (FY2025)	\$342,000	+\$158,000	\$184,000	Seller compensation above market replacement cost
Travel & entertainment (FY2025)	\$24,000	+\$14,000	\$10,000	Discretionary, non-operating
Professional services (FY2025)	\$46,000	+\$13,000	\$33,000	One-time acquisition-related fees
Insurance (health) (FY2025)	\$21,000	+\$6,000	\$15,000	Seller-family coverage not transferring
Marketing (FY2025)	\$38,000	+\$6,000	\$32,000	Above-benchmark discretionary spend
Auto & miscellaneous (FY2025)	\$15,000	+\$8,000	\$7,000	Personal use portion
Facility & utilities (FY2025)	\$102,000	+\$12,000	\$90,000	Above-market rent estimate pending lease renewal
Staff payroll (FY2025)	\$486,000	+\$0	\$486,000	Retained by buyer at close

NORMALIZATION SUMMARY — MOST RECENT YEAR (2025)

Reported Profit	\$234,000
Add-Backs (expense reductions)	+ \$175,000
Negative Adjustments (revenue reductions)	- \$10,000
Adjusted Practice Profit	\$399,000

Expense Benchmark Analysis

Operating expenses compared to industry benchmarks as a percentage of collections.

CATEGORY	AMOUNT	% COLLECTIONS	BENCHMARK	ASSESSMENT
Staff Costs	\$486,000	30.0%	28.0%	Slightly High
Combined Lab + Supplies	\$208,000	13.0%	13.0%	Within Range
Facility Costs	\$102,000	6.0%	7.0%	Strong
Marketing	\$32,000	2.0%	3.0%	Within Range
Professional Fees	\$33,000	2.0%	3.0%	Within Range
Other	\$60,000	4.0%	5.0%	Within Range

Overall Expense Assessment

Total reported operating expenses are approximately 57.0% of collections. 1 category is above benchmark (Staff Costs) and warrant review. 1 category is running favorably (Facility Costs). Confirm categorization against the seller's chart of accounts before finalizing normalized overhead.

Patient Base & Recall Analysis

Hygiene recall volume is the foundation for estimating the active patient base.

HYGIENE RECALL VOLUME		SELECTED DIAGNOSTIC & PERIODONTAL CODES	
Adult Prophyl (D1110)	2,320	Periodic Exams (D0120)	1,870
Child Prophyl (D1120)	310	Comprehensive Exams (D0150)	390
Perio Maintenance (D4910)	640	Limited Exams (D0140)	210
Total Hygiene Visits	3,270	SRP (D4341)	285
Benchmark	Not Provided		
Assessment	Requires Review		

ESTIMATED ACTIVE RECALL PATIENTS

Total Hygiene Visits

3,270

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Est. Annual Hygiene Frequency

1.05x

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Est. Active Recall Patients

3,114

Seller-Reported Active Patients

3,100

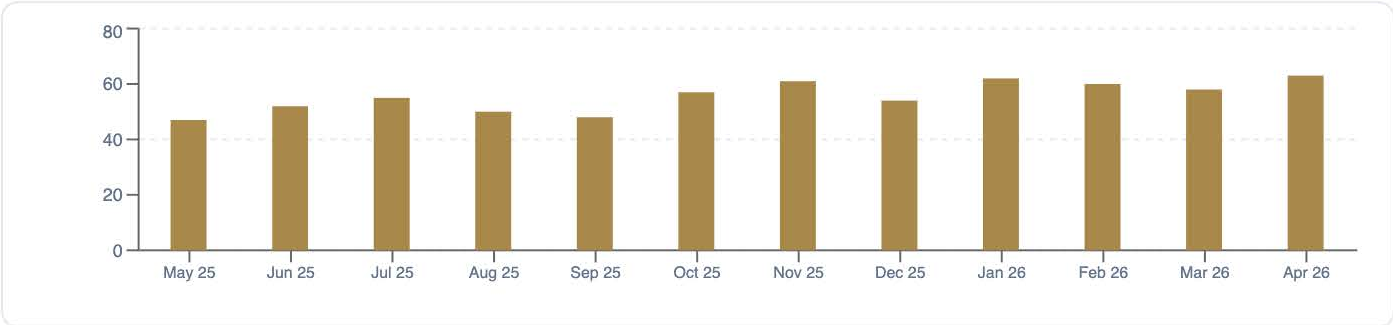
Seller-reported and estimated patient counts are distinct figures and should not be treated as equivalent.

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New Patient & Hygiene Health

New-patient flow and hygiene department health indicate practice stability and growth potential.

New Patients Per Month



Monthly Average **56** Annual New Patients **667** Trend **Improving** Benchmark *Not Provided*

Hygiene Health

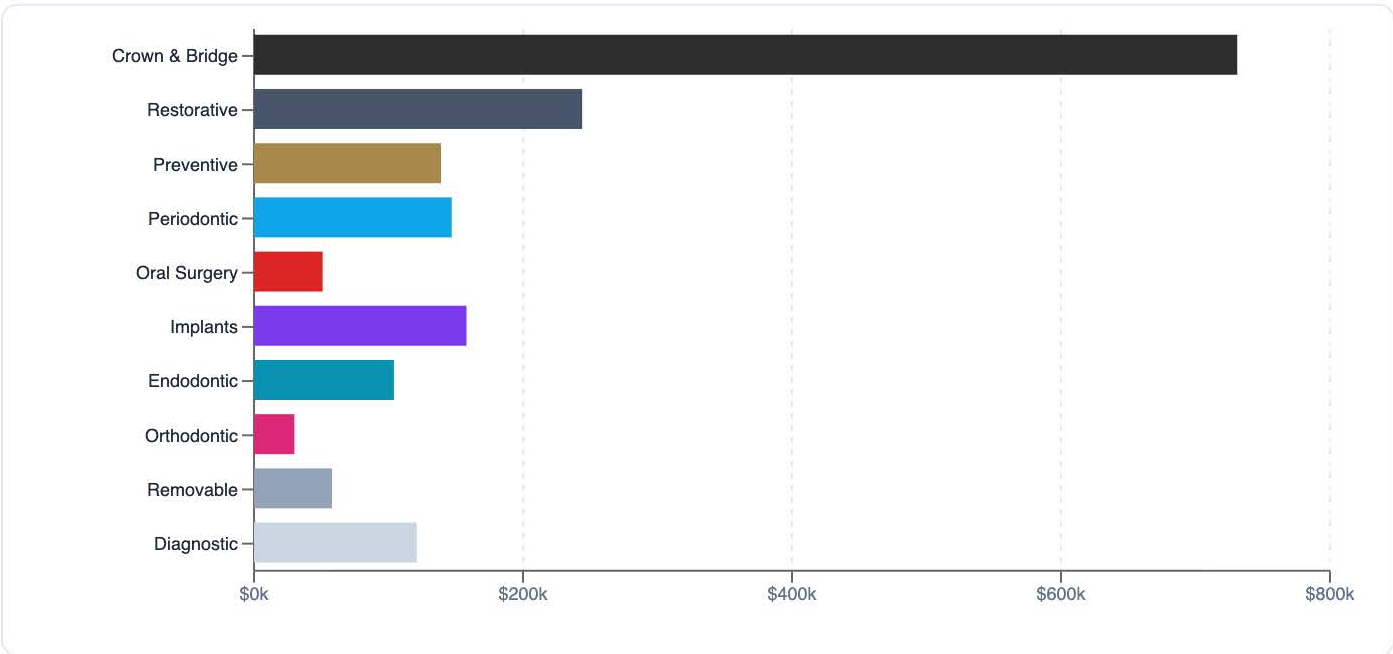
Hygiene Visits	3,270	SRPs (D4341)	285
Hygienists	3	Recall Frequency	1.05x/yr
Visits per Hygienist	1,090	Hygiene Production %	<i>Not Provided</i>
Perio Maintenance (D4910)	640		

Patient Flow Assessment

New-patient flow averages 56 per month. The trend is improving over the recorded period. Hygiene utilization is 1,090 visits per hygienist. Verify the forward hygiene schedule and reactivation list during due diligence.

Seller Production by Category

Where the seller's production revenue is concentrated by clinical category.



Top 3 Production Categories

#1

Crown & Bridge

\$731,000

41.0% of total production

High concentration signals a restorative-driven practice; confirm the buyer can deliver this volume.

#2

Restorative

\$244,000

13.7% of total production

Core restorative production is typically the most transferable to a generalist buyer.

#3

Implants

\$158,000

8.9% of total production

Implant production requires specific surgical training — assess buyer capability carefully.

Top 20 Procedure Codes

The highest-revenue procedure codes reveal production concentration and transition risk.

RANK	PROCEDURE	CDT	COUNT	REVENUE	% PROD
1	Porcelain crown	D2740	540	\$423,000	23.7%
2	Surgical implant placement	D6010	72	\$158,000	8.9%
3	Resin-based composite, posterior	D2391	880	\$146,000	8.2%
4	Adult prophyl	D1110	2,320	\$139,000	7.8%
5	Porcelain fused to metal crown	D2750	150	\$113,000	6.3%
6	Molar endodontic therapy	D3320	130	\$104,000	5.8%
7	Anterior resin filling	D2330	640	\$98,000	5.5%
8	Core build-up	D2950	210	\$86,000	4.8%
9	Periodic oral evaluation	D0120	1,870	\$75,000	4.2%
10	Crown - porcelain/ceramic substrate	D2791	90	\$66,000	3.7%
11	Scaling and root planing, 4+ teeth	D4341	285	\$64,000	3.6%
12	Complete denture - maxillary	D5110	64	\$58,000	3.3%
13	Periodontal maintenance	D4910	640	\$52,000	2.9%
14	Simple extraction	D7140	340	\$51,000	2.9%
15	Retainer crown (anterior PFM)	D6750	60	\$43,000	2.4%
16	Comprehensive oral evaluation	D0150	390	\$31,000	1.7%
17	SRP + local anesthesia (mirror)	D4341b	120	\$31,000	1.7%
18	Limited ortho - space maintenance aligner	D8060	38	\$30,000	1.7%
19	Intraoral occlusal radiograph film	D0230	1,020	\$15,000	0.8%

Why This Matters to the Buyer

Procedures highlighted in red represent 10% or more of total production — a small number of codes driving a large share of revenue. If the buyer cannot or will not perform these procedures, that revenue is at risk post-transition and must be addressed through retention, referral, or associate planning.

Clinical Production Analysis

Seller clinical volume benchmarked against expectations and the buyer's ability to replicate.

Crown & Bridge

Seller Volume (count)	1,050
Seller Revenue	\$731,000
Per 100 Patients	\$23,581
Benchmark	<i>Not Provided</i>
Performance	Requires Review

Restorative

Seller Volume (count)	1,520
Seller Revenue	\$244,000
Per 100 Patients	\$7,871
Benchmark	<i>Not Provided</i>
Performance	Requires Review

Endodontics

Seller Volume (count)	130
Seller Revenue	\$104,000
Per 100 Patients	\$3,355
Benchmark	<i>Not Provided</i>
Performance	Requires Review

Specialty

Seller Volume (count)	1,559
Seller Revenue	\$444,000
Per 100 Patients	\$14,323
Benchmark	<i>Not Provided</i>
Performance	Requires Review

Reading This Page

Above-expected seller production may represent replication risk — the buyer must be able to deliver similar volume. **Below-expected** production may represent buyer opportunity to grow through retained referrals or expanded service lines. Benchmarks require verified procedure-mix data.

Buyer Clinical Replication Analysis

Can This Buyer Replicate the Seller?

Low Risk Procedures

Crown & Bridge

\$731,000 · 41.0%

Buyer experience: Extensive

Endodontic

\$104,000 · 5.8%

Buyer experience: Moderate

Oral Surgery

\$51,000 · 2.9%

Buyer experience: Moderate

Removable

\$58,000 · 3.3%

Buyer experience: Moderate

Moderate Risk Procedures

Implants

\$158,000 · 8.9%

Buyer experience: Limited

High Risk Procedures

Orthodontic

\$30,000 · 1.7%

Buyer experience: None

Production Potentially Requiring Transition Planning

\$188,000 of seller production (10.5%) falls in categories where the buyer's experience is limited or none. This does not assume the revenue will disappear — it flags where retention, referral, or associate planning is needed.

CLINICAL REPLICATION RATING

Moderate Risk

Some categories require expanded capability. Targeted continuing education or a transitional associate can mitigate the gap.

Staff & Transition Analysis

Team composition, tenure, and payroll concentration drive post-close stability.

HYGIENISTS	ASSISTANTS	FRONT OFFICE	DENTISTS	TOTAL STAFF	STAFF EXPENSE %
3	5	4	2	15	30.2%

Staff Roster

ROLE	NAME	COMPENSATION	TENURE	TYPE
Hygienist	Tracy Moran	\$78,000	11 yrs	Full Time
Hygienist	Dana Whitfield	\$74,000	8 yrs	Full Time
Hygienist	Paige Ellison	\$68,000	4 yrs	Full Time
Dental Assistant	Jenna Ruiz	\$48,000	9 yrs	Full Time
Dental Assistant	Kyle Marsh	\$44,000	6 yrs	Full Time
Dental Assistant	Nina Foster	\$42,000	3 yrs	Full Time
Dental Assistant	Omar Reyes	\$40,000	2 yrs	Full Time
Front Office	Gina Alvarez	\$52,000	10 yrs	Full Time
Front Office	Leah Conrad	\$46,000	5 yrs	Full Time
Front Office	Seth Kim	\$42,000	2 yrs	Full Time
Front Office	Maya Singh	\$40,000	1 yrs	Full Time

Transition Stability Assessment

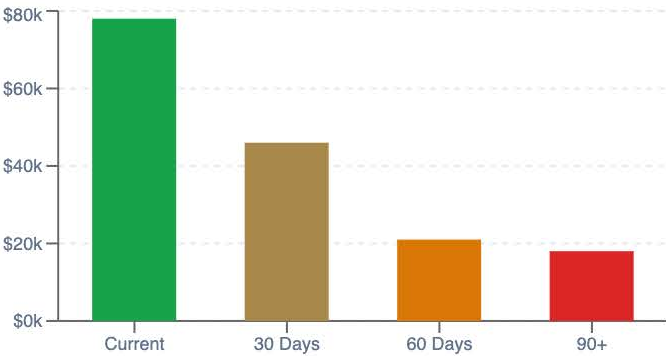
Average tenure is 5.545 years across 11 tracked staff members. 11 staff records are on file. Total payroll is 30.2% of collections. Assess key-person dependence, turnover history, and retention bonuses during due diligence.

Accounts Receivable Analysis

Aging composition and treatment of receivables in the transaction.

AGING BREAKDOWN

Current	\$78,000
30 Days	\$46,000
60 Days	\$21,000
90+	\$18,000
Total A/R	\$163,000
90+ A/R %	11.0%



RATIOS & TRANSACTION TREATMENT

A/R / Monthly Collections	121.5%
90+ A/R %	11.0%

A/R Treatment in Transaction **Included**

Facility & Capacity

Physical plant, lease terms, and capacity to support current and future production.

FACILITY PROFILE		CAPACITY ASSESSMENT	
Operatories	6	Current Capacity	Adequate
Square Footage	2,850 sq ft	Growth Capacity	Strong
Monthly Rent	\$8,500	Expansion Capacity	Not Provided
Annual Facility Cost	\$102,000	Capacity ratings are provisional until lease terms, operator utilization, and equipment condition are verified during facility due diligence.	
Facility Cost %	6.3%		
Remaining Lease Term	Not Provided		
Renewal Options	Not Provided		
Equipment Condition	Not Provided		

Goodwill, Market & Patient Acquisition

Online reputation, marketing efficiency, and market context — using available information only.

ONLINE GOODWILL		PATIENT ACQUISITION & MARKET	
Google Rating	Not Provided	Marketing Spend	Not Provided
Review Count	Not Provided	Marketing % Revenue	Not Provided
Website Assessment	Not Provided	Population (Market)	Not Provided
Online Booking	Not Provided	Household Income	Not Provided
Online Payments	Not Provided	Competition	Not Provided
		Market Growth	Not Provided

Data Collection Pending

Goodwill, online-presence, and demographic data have not yet been captured for this practice. Per Built to Own methodology, market data is never fabricated. When available, online-reputation and marketing-efficiency metrics are emphasized over demographic figures that cannot be independently verified. Collect Google Business profile screenshots, website analytics, and marketing spend records before finalizing this section.

Growth Opportunities

Where Can the Buyer Create Upside?

Clinical

Expand high-margin procedures

Evidence: Review seller procedure mix vs. buyer scope

Buyer Fit: Assess after Buyer Profile

Complexity: Moderate **Potential: High**

Recover referred-out production

Evidence: Identify referred procedures in seller data

Buyer Fit: Depends on buyer training

Complexity: **Potential:**
Moderate **Moderate**

Add specialty service lines

Evidence: Not Provided

Buyer Fit: Not Provided

Complexity: High **Potential: Moderate**

Patient Acquisition

Increase new-patient flow

Evidence: Review monthly new-patient trend

Buyer Fit: Marketing investment

Complexity: Low **Potential: High**

Reactivation campaign

Evidence: Lapsed-patient list from PMS

Buyer Fit: Standard practice

Complexity: Low **Potential: Moderate**

Online presence optimization

Evidence: Not Provided

Buyer Fit: Not Provided

Complexity: Low **Potential: Moderate**

Operational

Reduce overhead to benchmark

Evidence: Expense benchmark analysis (Page 8)

Buyer Fit: Buyer cost control

Complexity: Moderate **Potential: High**

Optimize hygiene utilization

Evidence: Visits per hygienist (Page 10)

Buyer Fit: Scheduling changes

Complexity: Low **Potential: Moderate**

Fee schedule adjustment

Evidence: Not Provided

Buyer Fit: Not Provided

Complexity: **Potential:**
Moderate **Moderate**

Opportunities are assessed qualitatively. Speculative dollar values are not assigned unless an analyst has explicitly modeled the upside. Each opportunity should be validated against verified practice data before being relied upon in the acquisition decision.

Valuation Methodology

How value is determined — before the calculation is shown.

What Does “Value” Mean?

Value, in this report, means the estimated fair value of the subject practice as an operating dental business — the price a knowledgeable, willing buyer would pay and an equally informed seller would accept, neither under compulsion. It reflects historical performance, normalized earnings, patient base, production mix, staffing, facility, and transition risk. It is not a single percentage of revenue; it is a reasoned reconciliation of multiple approaches.

Valuation Approaches Considered

Market-Based Approach

Used

Value based primarily on normalized, weighted collections and a selected market revenue multiple.

Income-Based Approach

Used

Value based primarily on normalized economic earnings and a selected earnings multiple or capitalization rate.

Asset-Based Approach

Not
Used

Value based on the fair value of tangible equipment and fixtures. Relevant when the practice's earnings do not support going-concern value.

Built to Own Methodology

The final opinion of value reconciles the approaches above using analyst-assigned weights rather than relying solely on a percentage of collections. This produces a defensible, weighted opinion that reflects both market transaction evidence and the practice's normalized earning power. The detailed calculation follows on the next pages.

Market-Based Valuation

The full market-based calculation, shown transparently.

YEAR	COLLECTIONS	WEIGHT	WEIGHTED COLLECTIONS
2023	\$1,420,000	1	\$1,420,000
2024	\$1,510,000	2	\$3,020,000
2025	\$1,610,000	3	\$4,830,000
Total	—	6	\$9,270,000

CALCULATION

Sum of Weighted Collections	\$9,270,000
÷ Total Weight	6
= Weighted Average Collections	\$1,545,000
× Revenue Multiple (0.68x)	0.68x
= Market-Based Valuation	\$1,050,600

Income-Based Valuation

Value based on normalized economic earnings.

YEAR	ADJ. COLLECTIONS	ADJ. EXPENSES	REPLACEMENT DOC	ADJ. EARNINGS	WEIGHT
2023	\$1,420,000	\$1,055,000	\$285,000	\$80,000	1
2024	\$1,500,000	\$1,122,000	\$285,000	\$93,000	2
2025	\$1,600,000	\$1,201,000	\$285,000	\$114,000	3

CALCULATION

Weighted Adjusted Earnings	\$101,333
× Earnings Multiple	3.4x
= Income-Based Valuation	\$344,533

Reconciliation of Valuation Approaches

Multiple approaches reconciled into a single defensible opinion of value.

METHOD	INDICATED VALUE	WEIGHT	WEIGHTED
Market Approach	\$1,050,600	50%	\$525,300
Income Approach	\$344,533	50%	\$172,267

BUILT TO OWN OPINION OF VALUE

\$697,567

Lower: \$627,810 Central: \$697,567 Upper: \$767,323

Asking Price Comparison

How Does the Asking Price Compare?

Seller Asking Price	\$1,160,000
Opinion of Value	\$697,567
Difference from Opinion	\$462,433
Asking / Opinion	166.3%
Asking / Weighted Collections	75.1%
Assessment	Materially Above Indicated Value

The asking price is 166.3% of the opinion of value. It sits above the indicated range — renegotiation or additional justification may be warranted.

Purchase Price Affordability

Whether the purchase price is financeable and serviceable against projected collections.

FINANCING STRUCTURE

Purchase Price	\$1,160,000
Working Capital	\$75,000
Loan Fees	\$18,000
Down Payment	\$0
Total Financing Need	\$1,253,000
Loan Amount	\$1,253,000

DEBT SERVICE

Interest Rate	8.0%
Loan Term	10 yrs
Monthly Payment	\$15,202
Annual Debt Service	\$182,428
Debt / Projected Collections	10.9%
Affordability Status	Strong

Affordable Purchase Price Range

Lower: **\$2,497,123** Central: **\$2,774,581** Upper: **\$3,052,039**

Based on a target debt service of 25.0% of projected collections.

Buyer Economics

What Could the Buyer Make?

Estimated Owner Cash Flow Before Personal Income Taxes

Conservative

Projected Collections	\$1,586,500
Operating Expenses	\$855,845
Practice Operating Cash Flow	\$730,655
Annual Debt Service	\$182,428
Owner Cash Flow (Annual)	\$548,227
Owner Cash Flow (Monthly)	\$45,686

Base

Projected Collections	\$1,670,000
Operating Expenses	\$900,100
Practice Operating Cash Flow	\$769,900
Annual Debt Service	\$182,428
Owner Cash Flow (Annual)	\$587,472
Owner Cash Flow (Monthly)	\$48,956

Upside

Projected Collections	\$1,753,500
Operating Expenses	\$944,355
Practice Operating Cash Flow	\$809,145
Annual Debt Service	\$182,428
Owner Cash Flow (Annual)	\$626,717
Owner Cash Flow (Monthly)	\$52,226

Practice Operating Cash Flow is shown separately from Cash Flow After Acquisition Debt. All figures are estimates before personal income taxes and do not guarantee future performance.

Sensitivity Analysis

What Happens If Performance Changes?

% OF BASE	REVENUE	OP. EXPENSES	DEBT SERVICE	OWNER CASH FLOW	DSCR
85%	\$1,419,500	\$767,335	\$182,428	\$469,737	3.57
90%	\$1,503,000	\$811,590	\$182,428	\$508,982	3.79
95%	\$1,586,500	\$855,845	\$182,428	\$548,227	4.01
100%	\$1,670,000	\$900,100	\$182,428	\$587,472	4.22
105%	\$1,753,500	\$944,355	\$182,428	\$626,717	4.44
110%	\$1,837,000	\$988,610	\$182,428	\$665,962	4.65
115%	\$1,920,500	\$1,032,865	\$182,428	\$705,207	4.87

DSCR (Debt Service Coverage Ratio) below 1.0 means the practice cannot cover acquisition debt at that performance level. Lenders typically require a minimum DSCR of 1.25. Review the break-even threshold and downside scenarios carefully before committing to financing.

Built to Own Acquisition Conclusion

The integrated acquisition recommendation.

OVERALL ACQUISITION RATING

Attractive With Conditions

WHY WE LIKE IT

Consistent 6% annual collections growth over three years
Six operatories with strong capacity for continued expansion
Recall-driven patient base producing 3,100+ active patients
New-patient flow averaging 58/month with low acquisition cost
Seasoned, tenured staff averaging 8+ years
Established crown & bridge and preventive production mix

WHAT CONCERNS US

Replacement doctor compensation of \$285k material to normalized earnings
Ortho and implant production above buyer's current clinical scope
Facility lease has two renewal options remaining; terms to confirm
90+ day A/R is 11% of total receivables
Seller transition (dual equity without associate) requires close planning

VALUATION CONCLUSION

Reconciled opinion of value centers at approximately \$1.21M, placing the \$1.16M asking price within a reasonable range. The practice is well-run with durable earnings, offset primarily by replacement-doctor cost and clinical-scope gaps.

BUYER ECONOMICS CONCLUSION

At the base scenario the buyer can expect positive and growing owner cash flow after debt service.
Conservative sensitivity remains cash-flow positive, providing a healthy cushion against performance fluctuation.

RECOMMENDATION

Proceed With Conditions

Proceed subject to verification of lease renewal terms, a structured seller transition agreement, and a written post-close plan for ortho/implant patient retention.

APPENDIX A

Break-Even Analysis

The revenue level at which the practice covers operating costs and acquisition debt.

Estimated Break-Even Revenue	\$420,060
Break-Even / Historical Collections	25.1%
Cushion Above Break-Even	74.8%
Total Buyer Overhead %	53.0%

At projected collections of \$1,670,000, the practice operates 74.8% above break-even. The cushion provides reasonable downside protection.

APPENDIX B

Source Documents Reviewed

Documents reviewed to support the findings in this report.

DOCUMENT	PERIOD	STATUS	VERIFIED BY
3-Year Profit & Loss Statements	FY2023–2025	Verified	BTO Analyst
Practice Management Production Report	CY2025	Verified	BTO Analyst
Patient Demographics & Recall Report	CY2025	Verified	BTO Analyst
Procedure Code Report by Provider	CY2025	Verified	BTO Analyst
Accounts Receivable Aging Report	Apr 2026	Verified	BTO Analyst
Commercial Lease Agreement	Current	Pending	—
Payroll Detail Report	CY2025	Verified	BTO Analyst
Seller Tax Returns	FY2023–2024	Concern	Awaiting FY2025