# FINANCING YOUR PHARMACY BUSINESS



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### What do we offer?

#### Financing for:

- Acquisition and Real Estate
- Equipment financing
- Expansion & remodeling
- Business refinancing
- Start-up loans
- Working capital











## Pharmacy Valuation Formulas

#### Multiple of cash flow

- (EBITDA) + inventory
- Market is averaging 2.5 to 4x

% of annual gross sales + inventory

Usually 15-25%

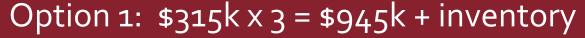
\$\$ multiple of annual Rx count + inventory

Typically \$10-\$20 (chain method)

## Valuation Example

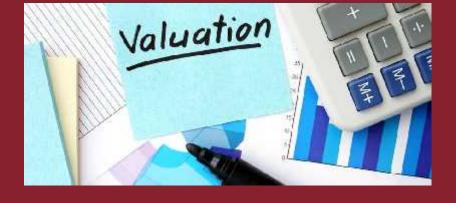
## \$4M total revenue, 65k annual RX Normalized EBITDA

- \$145k (last year tax return earnings)
- \$6ok (dep/amort)
- \$50k (owner annual bonus)
- \$15k (delivery vehicle...Lexus)
- \$45k (spouse salary for "bookkeeping")



Option 2:  $4M \times 20\% = 800k + inventory$ 

Option 3: 60k x \$15/script = \$900k + inventory (60k vs 65k as not all scripts may be bought)















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