When Is The Right Time To Sell?

Paragon Ventures

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IMPORTANT NOTICE

This presentation was developed by Paragon Ventures to introduce healthcare business owners to specific concepts and transactional strategies for privately held business.

It is intended to be personally curated by a Paragon Ventures Advisor to provide additional commentary and insight specific to each individual's company and current market conditions.

If you have not yet registered with Paragon Ventures, please click this link and we will provide a personal introduction to one of our experienced advisors to guide you through this presentation.

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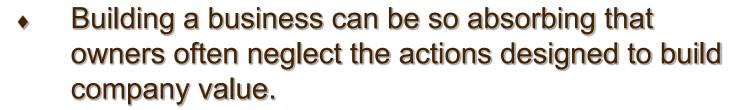


Discussion Points

- Understand and develop an "Exit Strategy"
- Understand valuation dynamics specific to your sector, niche and business model
- Identify the motivation to sell or not to sell
- Time the decision to sell and do it right
- Maximize the value of the business
- Stay focused and stay on track
- Use experts to assist in the process
- Get answers to Exit Strategy questions

Why Is This Important to YOU

- Maximize proceeds
- Avoid common mistakes
- Develop a successful exit strategy



 Not knowing the true market value of this major asset can put a lifetime of hard work at risk.



When IS the Right Time?



When the business...
When the stakeholders...
When the market... is ready!



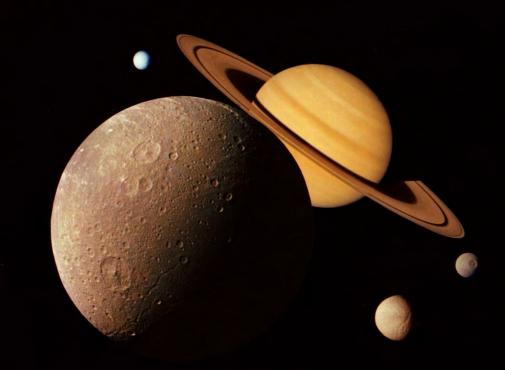
Timing Is Everything

- Windows of Opportunity
- Business Performance
- Managed Care/Competition
- Current M&A Activity
- Local M&A Dynamics
- Personal Goals





Factors That Will Influence YOUR Timing



- Valuation Multiples
- Buyer
- Synergies
- Niche Consolidation
- Convergence



- Growth
- Earnings
- Contracts/IP
- Synergies
- Cost Management



Controllable Factors

- Retirement
- Personal Goals
- Family Obligations

Uncontrollable Factors

- Illness
- Reimbursement
- Key employee
- Financial desperation
- Regulatory issues



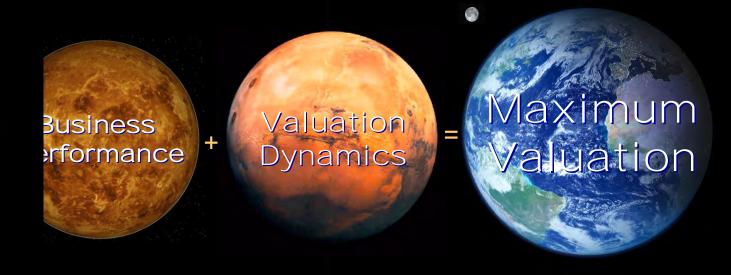
Lack of control over the timing of a business sale can be tremendously expensive.

- Financials
- Contracts/IP
- Systems
- Trajectory
- Sector Dynamics
- Reimbursement
- Regulatory
- Stakeholders
- Advisory Team



Are Your Planets Aligned?





Beware Meteors and Black Holes Rising Costs



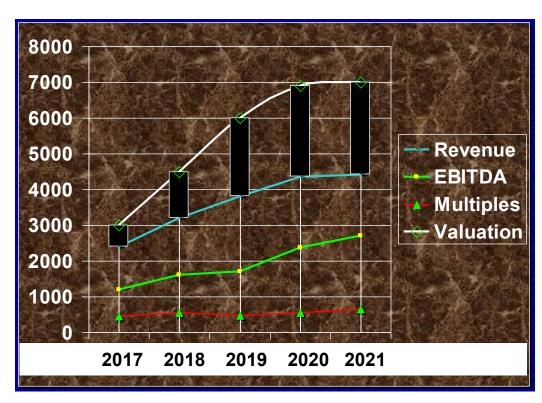


Eyes Of A Buyer or Investor



Valuation Factors

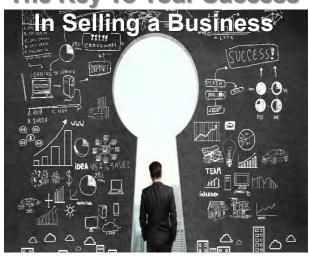
- ✓ Revenue
- ✓ EBITDA
- ✓ Product & Therapy Mix
- ✓ Patient Counts
- ✓ Payor Mix
- ✓ Collections
- ✓ Accounts Receivable



Recast Income Statements

- EBITDA
- Basis of the Deal
- Unlock the Hidden Value
- Public vs. Private Mentality
- Create "Apples to Apples" Comparison
- Establishing the Basis For Valuation and Future Earnings Projections - KEY





Economic vs. Synergistic Value

- Economic Value is Based on Verifiable Facts & Numbers.
- Synergistic Value is Economic Value Plus "Synergistic" Value Created Between the Entities.



Being able to strategically present both is a valuable role of a professional and experienced M&A Advisor



Understanding the Buyers

- ✓ Corporate vs Strategic Private Equity
- ✓ Asset vs Stock Sale
- ✓ Buyer's PreQ & Modeling
- Mitigating Risks
- ✓ Financing Options
- ✓ Due Diligence
- Closing Checklists





What ARE The MULTIPLES?

- Understand what the "multiple" is OF
- Adjusted Earnings –Calculating EBITDA
- Assume willing buyer and seller
- Comparable sales
- □ Art v Science





Do you know the CURRENT market value of your business?

We do!



Call Us Today For A Confidential Consultation

800-719-1555

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