



PRACTICE TRANSITIONS

CLIENT CASE STUDY

Two Partners Building in Different States: How PTG Sold Their Five- Location Group for 32% Above Market

TWO PARTNERS BUILDING VALUE IN DIFFERENT STATES

Dr. M and Dr. K spent years building their five-location dental practice group across Connecticut.

The Connecticut group had strong overall numbers, but individual location performance varied significantly. Some practices were robust standalone operations that could integrate easily into any dental platform. Others performed better as part of the group structure, benefiting from shared management and clinical coverage.

RESTRUCTURING THE PACKAGE BEFORE MARKETING

One location operated in a struggling mall with declining foot traffic and reduced operating hours. Rather than defending it during buyer discussions, Thomas and the PTG team worked with the doctors to carve it out of the transaction.

The restructured package needed the right buyer at the right time. A regional dental group had just received private equity backing and launched aggressive expansion plans. They understood the local market and had aggressive growth plans based on their recent investment.

These five locations represented immediate scale in their core market. While national groups saw complexity and risk, the regional group saw strategic opportunity. The timing of their outreach aligned perfectly with the group's growth phase.

MOVING FROM FAIR TO PREMIUM

The acquiring group's initial offer was fair based on market comparables, but it didn't reflect the value of these practices for their group.

Thomas and the PTG team dug into the financials and found additional EBITDA through proper adjustments and reclassifications that the initial review missed. They reframed what the buyer was actually purchasing: an established presence in their core market that would immediately accelerate their growth and add accretive value.

Over several weeks, PTG increased the purchase price by 32% from their initial offer. The structure included significant equity for Dr. K, a high cash payment at closing, and earnout provisions to bring additional equity and cash to the seller with conservative targets.

A separate \$300,000 holdback addressed a lease complication at one location. The landlord was in his 90s, avoided email communication, and preferred in-person meetings.

Dr. K felt confident about securing the lease extension, so the holdback was released when he obtained it.

TWO DIFFERENT EXITS FROM THE SAME PARTNERSHIP

Dr. K transitioned to a purely clinical role with the acquiring group. The administrative burden that consumed his weekends disappeared. No more staffing concerns, no more operational problems across five locations. He maintained his patient relationships and clinical practice while eliminating everything he wanted to stop doing.

Dr. M gained the flexibility to focus entirely on his Houston expansion. The Connecticut practices were in capable hands, and he had successfully monetized years of partnership value without disrupting his current business development.

The financial outcome exceeded both doctors' expectations. More importantly, it validated that unconventional partnership structures and varied practice performance don't automatically mean discounted valuations. They just require the right buyer who can see strategic value where others see complications.

WHAT MULTI-LOCATION OWNERS SHOULD KNOW

Groups with varied individual practice performance face legitimate buyer skepticism. Geographic management questions can create additional hesitation. These aren't imaginary concerns; they're real factors that affect how buyers evaluate acquisition opportunities.

The difference between accepting fair market value and achieving premium pricing often comes down to three factors: removing obvious liabilities before marketing, finding buyers whose strategic needs align with what you built, and timing the outreach when those buyers have both capital and urgency to deploy it.

For Dr. M and Dr. K, this meant swapping out a struggling location, targeting a recently-capitalized regional group, and demonstrating that their partnership structure was a transitional phase rather than a permanent management problem.

Practice Transitions Group prides itself on helping healthcare practice owners understand their options when it comes to a transition of their practice. Once the options are understood, we execute the transaction on the doctor's behalf in a way that achieves maximum results. We enjoy achieving our clients and our own goals while providing the best customer experience possible.

Call us at (512) 761-7101 or send us an email at info@practicetransitionsgroup.com to explore your healthcare real estate needs.



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