

Selling a company

Our Services | 2024

**SELLING YOUR PRACTICE -
CREATING ADDED VALUE
THROUGH PROFESSIONAL
ADVICE**

Good reasons for a sale

In the past, large practice structures in particular were almost impossible to sell or could only be sold to a successor for a small fee. The entry of investors has fundamentally changed this.

There are many reasons for selling a practice. For many, a decisive point is to hand over the practice and therefore the staff and patients to a suitable successor. But what to do if there is no internal successor?

In this case, the only option is to sell to a third party. In many cases, this can and will be a doctor who will continue to run the practice according to the previous owner's ideas. However, if the practice has reached a certain size, very few doctors will feel able to pay an appropriate purchase price. This is where larger groups can fill the gap.

In many specialist areas, groups financed by investors are already active today and are consolidating the market. These groups generally pay a (significantly) more attractive price for the practice than other doctors could and also offer support in many administrative areas. However, patient care is still entirely the responsibility of the doctors.

In addition to the financial aspects, choosing the "right" partner for the life's work is also crucial. Legislation stipulates that the selling doctors must generally continue to work for three years in the medical care centre to be established for the sale at the latest. A corresponding time horizon must be planned for by the practice owners.

In addition, earn-out clauses are usually agreed in the purchase agreements, which only come into effect after two or more years of co-operation.



Absence of a successor

If there is no internal successor for the practice, an external succession plan must be found. This is often very difficult, especially in large practice structures.



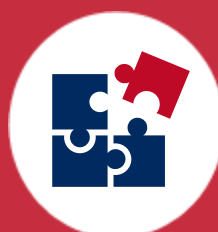
Workload

Constantly increasing regulatory requirements are increasing the workload of practice owners, for example when it comes to documentation. Here, larger groups can use centralised solutions to bundle administrative tasks and relieve the burden on doctors.



Investments

Investor-supported groups can also support the procurement of investment capital for (replacement) investments and thus increase the attractiveness of the practice for patients and employees.



Risk sharing

By selling the practice, the entrepreneurial risk is spread across several shoulders. In addition, a significant portion of the company value can be realised.



Recruiting

In times of skills shortages, a larger group can help to fill vacancies through targeted personnel marketing.

Our Services

Valuing means comparing: We carry out a structured sales process with all relevant market participants in close consultation with you. The aim is to obtain as many different offers as possible in order to be able to select the most attractive offer.

The sale of a larger practice or a group practice is usually a process lasting several months. Even with optimum preparation, you should allow at least four to six months for this. We take over the complete project organization. This includes coordination with your legal and tax advisors.

We support you in developing an appropriate transaction structure that is tailored to your individual needs. This concerns, for example, the scope and duration of future activities for the practice owner(s). The legal and tax framework must also be considered.

It's all about the right marketing: We work with you to develop the necessary marketing documents such as teasers (anonymous initial approach), information memorandum, which includes a complete business plan, as well as the management presentation.

The offers often contain a wide variety of components. For example, there are regular earn-out provisions according to which the seller also benefits from further development after the sale of the practice, but the advantageousness of these depends heavily on the specific structure. We carry out an economic evaluation and establish comparability.

The offer is followed by the negotiation of a letter of intent (LOI). In addition to the purchase price, this also regularly sets out the initial conditions of the subsequent purchase agreement, e.g., valuation assumptions, the basis for future medical activities, development and growth opportunities, profit sharing, option rights to any remaining shares, etc.

We also coordinate the due diligence process, which lasts several weeks and in which the interested party identifies all possible risks of an economic, tax, legal, financial and performance-related nature. For this purpose, we prepare an electronic data room with all relevant documents for you. This also includes the organization of the Q&A, during which the sellers must answer questions on all of the aforementioned topics.

The successful due diligence is followed by the contract negotiations. Even if these are conducted by the legal advisors, we carry out an economic assessment of the relevant points, such as liability regulations or seller guarantees.

Signing the purchase agreement is only part of the transaction. We also support you in the realization of possible closing conditions and continue to be available as a point of contact after the project has been completed.

Targeted project organization and **optimal preparation**

Preparation of **marketing documents**

Evaluation & scenario analysis

Price maximization through a structured sales process

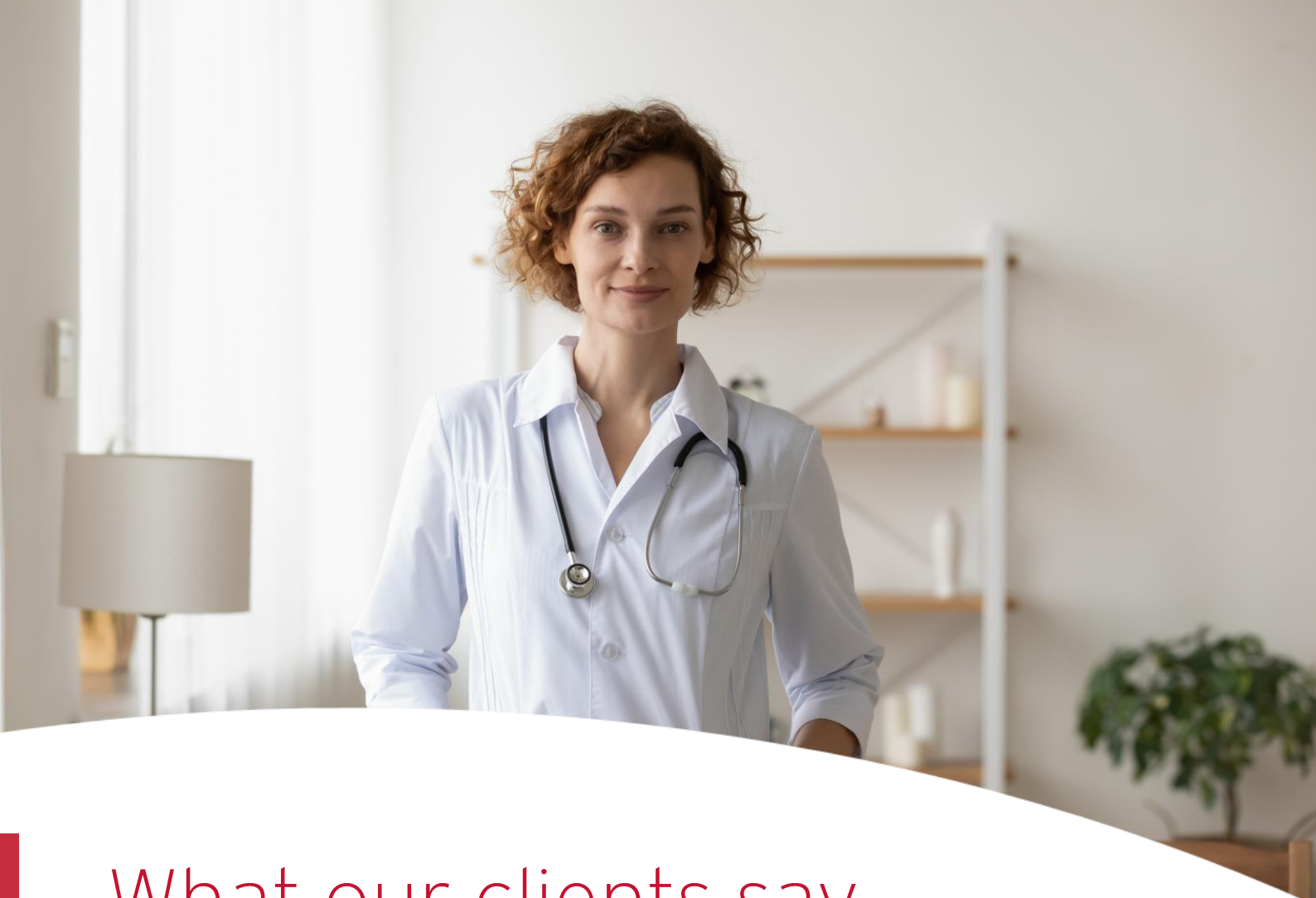
Economic **comparability** of different offers

LOI negotiations & framework conditions for the purchase agreement

Coordination of the **due diligence** with the buyer's advisors

Accompanying the **contract negotiations**

Support after the **closing**



What our clients say

"You only sell your practice once in a lifetime. On recommendation, we therefore turned to Capitalmind Investec in order to benefit from their many years of experience. All our questions were dealt with and clarified quickly and professionally. At no time were we swayed in one direction, on the contrary, we were presented with various investors who were contacted after consultation and the differences were worked out."

"After a year with an investor-led group, we can now say that all the calculations and predictions made by Capitalmind Investec during the sales process have materialized. We find Capitalmind Investec to be an unbiased, reliable, professional and expedient partner in the sales process and would recommend them at any time." - Dr. Antje Plum & Dr. Frank Plum, Augenzentrum Unna

"Many thanks for the always level-headed and very good cooperation and the balancing of the various parties. Thank you for brilliant ideas in the sales process. Thanks to Capitalmind Investec, we managed to achieve an excellent overall result and structure - despite COVID." - Dr. Josef Wolff, Augenzentrum Heppenheim

A selection of our current references

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|  MLD <small>MEDIZINISCHE LABORATORIEN DÜSSELDORF</small> sold to  SONIC HEALTHCARE |  sold to  Sanoptis |  Augenzentrum Heppenheim sold to  ARTEMIS <small>AUGENKLINIKEN und med. Versorgungszentren</small> backed by  Montagu <small>private equity</small> |  sold to  MEDICOVER |  AUGENZENTRUM DREILÄNDER sold to  ARTEMIS <small>AUGENKLINIKEN und med. Versorgungszentren</small> backed by  Montagu <small>private equity</small> |
| Laboratory medicine | Ophthalmology | Ophthalmology | Dentistry | Ophthalmology |
|  augenzentrum <small>Bahnhof Basel</small> sold to  Sanoptis <small>JACOBS HOLDING</small> |  acquired a stake in  Med360° |  DermaClin acquired  <small>Gesellschaft für Mikroneurochirurgie mbH Praxis Dr. Heinz Joachim Klein</small> funded by  UFENAU <small>CAPITAL PARTNERS</small> |  CORIUS UFENAU <small>Gruppe CAPITAL PARTNERS</small> acquired  SanaSkin <small>ÄSTHETISCHE MEDIZIN SEIT 1984 FÜR SIE DA</small> (Dr. Würsch) |  Dr. CHRISTIAN WEHR <small>Facharzt für Kieferorthopädie</small> sold to  swiss smile <small>JACOBS HOLDING</small> |
| Ophthalmology | Radiology | Dermatology | Dermatology | Orthodontics |
|  UFENAU <small>CAPITAL PARTNERS</small> acquired a majority stake in  DOKTORHUUS |  OPZentrum eichgut sold to  ARTEMIS <small>AUGENKLINIKEN und med. Versorgungszentren</small> |  EYE PARC sold to  Sanoptis <small>JACOBS HOLDING</small> |  uroviva <small>SPEZIALISTEN FÜR UROLOGIE</small> sold to  E C M |  AUGENZENTRUM ZYTGLOGGE sold to  ARTEMIS <small>AUGENKLINIKEN und med. Versorgungszentren</small> |
| General practitioners | Ophthalmology | Ophthalmology | Urology | Ophthalmology |
|  radio-onkologie amsler ag <small>AERZTEHAUS ALLSCHWIL UND LIESTAL</small> sold to  atrys |  UFENAU <small>CAPITAL PARTNERS</small> acquired  Röntgeninstitut Baden |  UFENAU <small>CAPITAL PARTNERS</small> acquired  Ambulante Gastroenterologie Baden |  KammannEye AG sold to  Sanoptis <small>JACOBS HOLDING</small> |  WATERLAND <small>PRIVATE EQUITY INVESTMENTS</small> acquired  VivaNeo |
| Radio-oncology | Radiology | Gastroenterology | Ophthalmology | Fertility medicine |

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Capitalmind Investec has extensive expertise in the healthcare sector, including advising on the sale of medical practices.

We look forward to hearing from you if you would like to know more about Capitalmind Investec and your options in the current market environment.