How to Prepare a Dental Practice for Sale

The Complete UK Owner's Guide

Strategic Success. Delivered.

If you sold your practice next year, would the buyer be paying for a business, or paying for you?

What a buyer is actually paying for

EBITDA, not turnover.

What EBITDA removes

- Financing choices (interest)
- Tax strategy
- Non-cash accounting entries

The owner-dentist adjustment

As an initial DWB working assumption, we use 50% of owner-generated clinical fees to estimate the replacement cost, not a universal market rule.

The right figure depends on treatment mix, lab costs and local recruitment conditions.

Reading the margin

£160,000 ÷ £1.2m turnover = 13%

Under 15% marks a practice as weak on this measure.

Turning EBITDA into a price

4-7x

typical multiple of normalised EBITDA for an established UK dental practice

A worked example

£160,000 × 6 = £960,000

Raise EBITDA to £200,000 and the same range points to £200,000-£280,000 more at sale.

The owner-dependency problem

“A practice sells for what it's worth without you. Not what it's worth with you working every hour available.”

Evidence from DWB client practices

Dr Ali Rifai

Structured the patient journey; added a Treatment Coordinator.

Turnover rose 25-30% in year one.

Dr Bertrand Napier

Shifted to business-focused decision-making.

Built the infrastructure for an orderly exit.

Dr Neresh Behari & Dr Usha Ramjas

Added a Treatment Coordinator; diary zoned by complexity.

Revenue, retention and case acceptance rose over 15 years.

Source: dentalwealthbuilder.com/our-work/case-studies

Cultural due diligence

- Genuine team morale
- Confidence without you in the room
- How long the senior team has stayed
- Depth behind one strong clinician

What actually moves the multiple

Illustrative example, not a forecast for any specific practice

£50,000/yr	**× 3 years**	**× 7 multiple**
profit improvement	= £150,000	= £350,000

Potential combined financial benefit: around £500,000

Excludes tax, transaction costs and buyer-specific adjustments.

Risks that quietly kill deals

- CQC registration current
- Contracts and covenants documented
- Lease position clear
- Insurance and compliance up to date

When to start, who to bring in

1. **Years ahead**

   Reduce owner-dependency

2. **Ongoing**

   Clean management accounts

3. **Early**

   Engage your adviser team

4. **At listing**

   A formal valuation

Ready to find out what a buyer would actually pay for your practice today?

Book Exit Strategy Call

Strategic Success. Delivered.