



 **HENRY SCHEIN**® 
TIER THREE BROKERAGE LTD

Maximize Your Practice's Potential:

Comprehensive Valuation & Strategic Guidance

888-437-3434
www.tierthree.ca



Your Practice, Your Future: Unlock Its Full Potential

Get Started on Optimizing Your Practice's Value

Your practice is more than just a business—it's a valuable, evolving asset with untapped potential. A Tier Three practice valuation provides a comprehensive, data-driven analysis of your practice's financial health, strengths, and growth opportunities, helping you make more informed decisions about its future.

Whether you're looking to optimize operations, plan for future investments, transitions or simply gain clarity on your practice's value, our valuation process goes beyond the numbers. We assess key performance indicators, patient demographics, and market trends to identify areas for improvement and untapped opportunities that can drive profitability and long-term success.

"We had two appraisals done, one by Tier Three and one by a competitor. Our Transition Consultant was so thorough in gathering all the necessary reports and spent two hours discussing how she would sell our practice! The competitor's report was explained literally in 15 minutes. We trusted the process and received several offers well above our asking price."

– Dr. R.P.

Our Valuation & Advisory Services

A Tier Three valuation is more than just a number—it's a strategic tool to help you understand and maximize your practice's potential. Our services include:

Comprehensive Practice Valuation

A full-scale assessment covering financials, patient metrics, operations, market positioning, and asset inventory.

Income Valuation

A full-scale assessment covering financials, patient metrics, operations, market positioning.

Valuation Update

A refresh of a previous valuation to reflect current financials, patient trends, and market conditions.

Facility & Leaseholds Appraisal

A valuation of your physical assets and occupancy situation to determine the value of the facility.

Transition Planning

Expert guidance to help you navigate ownership changes, whether selling, partnering, or restructuring.

Letters of Opinion

Customized valuation letters for legal, financial, or partnership needs.

Why Get a Valuation?

- ✓ **Know Your Value** – Get a clear picture of your practice's worth to make informed decisions.
- ✓ **Plan for Growth** – Identify opportunities to expand services, build your team, or boost profitability.
- ✓ **Optimize Financial Health** – Pinpoint areas to improve efficiency and maximize revenue.
- ✓ **Unlock Potential** – Discover ways to enhance your practice's value, no matter your long-term plans.
- ✓ **Support Your Sale** – Lay the groundwork for a smooth, successful transition for a future sale on your terms.

Take the next step toward optimizing your practice's future. Contact us today to schedule your valuation and gain clarity on your next steps.





How Often Should You Get a Valuation?

Regular valuations are crucial for keeping your practice on track and ensuring it thrives over the years. While each dentist's situation is unique, we recommend getting a full practice valuation at key milestones in your career, including:

Every 2-3 years

To track trends in revenue, patient growth, and operational efficiency. Regular updates keep you informed about your practice's evolving value.

Before major decisions and after key operational changes

Whether expanding, restructuring, or making significant investments, a valuation helps you understand these shifts and helps you adjust accordingly.

When considering a transition, 5-10 years prior to transitioning

If you're planning to sell, transition to new ownership, or bring in partners, a fresh valuation offers clarity on where your practice stands in the market.

Before Selling

A valuation should be completed within 12 months prior to the sale date of your practice, in order for your purchaser to receive financing.

Be Prepared

Stay ready for ownership changes, market shifts, and understand issues impacting your practice's saleability.

By staying proactive, you can continuously optimize your practice's performance, identify growth opportunities, and stay ahead of any changes that could impact your practice's value.

What Makes a Tier Three Valuation Different?

Tier Three doesn't just provide a number — we offer a comprehensive, actionable plan to help you navigate your practice's future. Our approach is tailored to support dentists at all stages of their career, focusing on the day-to-day operations, long-term growth and also transitioning if you are ready to do so. Our valuations uncover 90% of ways to boost dental practice value while nine out of ten dentists gain confidence in their future with our valuations. We combine decades of industry expertise with data-driven insights to give you the clarity and confidence you need to move forward.

Here's how we do it:



Scan the **QR code** to learn more about how Tier Three's data-driven insights can help you grow and sustain your practice. Reach out for a consultation today.



"What I valued most was that there was no pressure from my Transition Sales Consultant. He provided pertinent information and patiently walked me through various options, which included continuing with my practice. From start to finish it was a 13-month process and not once did I feel alone. It would be difficult for someone who has never experienced a practice sale to fully understand the multi-level challenges involved. It is therefore imperative to have the right broker team and advisors in your corner. Hands down, I unconditionally recommend Tier Three Brokerage for anyone considering a transition plan. Professionalism, integrity, and confidential support from start to finish."

— Dr. A

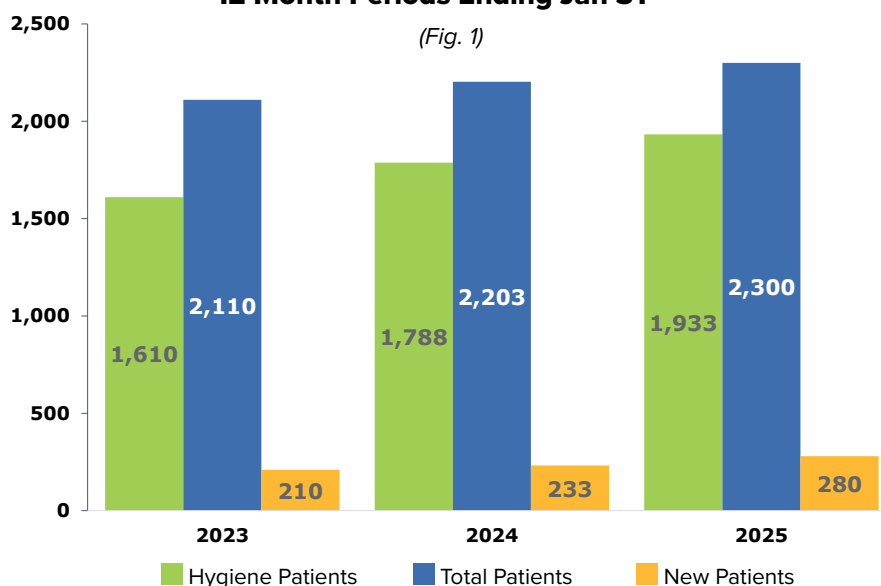


The Tier Three Advantage: Advanced Patient Metrics®

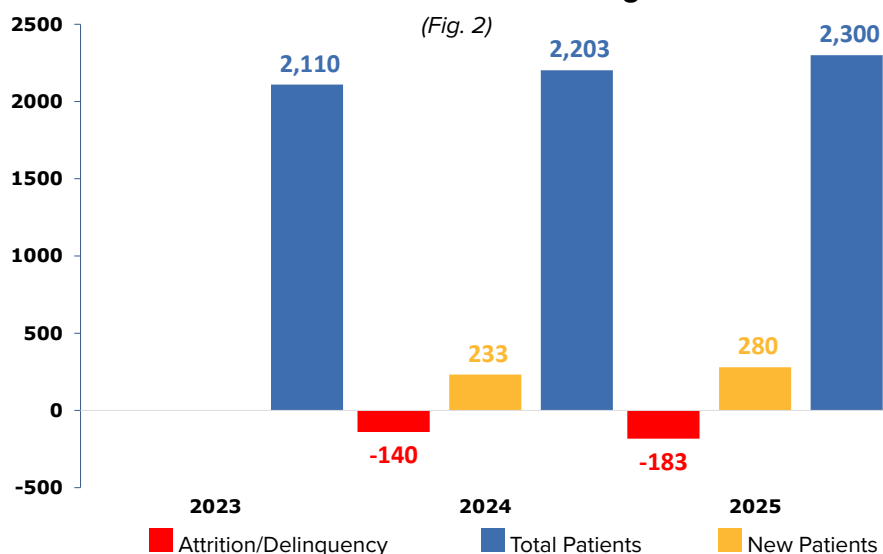
Your patients are your greatest asset, and understanding their impact is key to unlocking your practice's full value. Our exclusive Advanced Patient Metrics® methodology sets us apart, offering insights that go beyond financials to uncover untapped opportunities and increase confidence in your practice's future. We track and analyze key patient trends to uncover hidden opportunities for growth:

- **Patient Base Stability** – Analyze patient counts over multiple years to reveal growth potential. (See Fig. 1)
- **New Patient Flow** – Examining trends helps enhance marketing strategies and improve patient retention, ensuring a steady pipeline of new business.
- **Attrition and Delinquency Analysis** – Identify patient loss patterns and opportunities to boost retention and revenue. (See Fig. 2)

**YOY Comparison of Patient Count Results for
12 Month Periods Ending Jan 31**



**YOY Comparison of Attrition/Delinquency Analysis Based
on 12 Month Patient Counts Ending Jan 31**

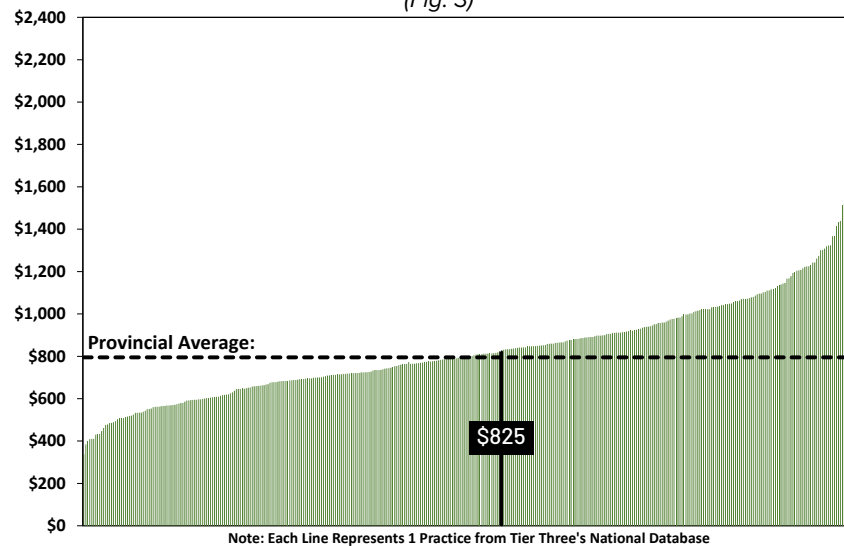


The Tier Three Advantage: Advanced Patient Metrics® (Continued)

- **Billings Benchmarking** – Benchmarking your practice's billings per patient against similar practices reveals strengths and growth opportunities, helping you optimize efficiency, revenue possibilities, and realize your practice's full potential. (See Fig. 3)
- **Hygiene Program Strength** – A robust hygiene program indicates long-term stability and increases opportunities for dentistry. Analyzing the distribution of scaling and polishing procedures alongside patient counts pinpoints opportunities to enhance your practice's recall systems and improve your patients' overall healthcare. (See Fig. 4)

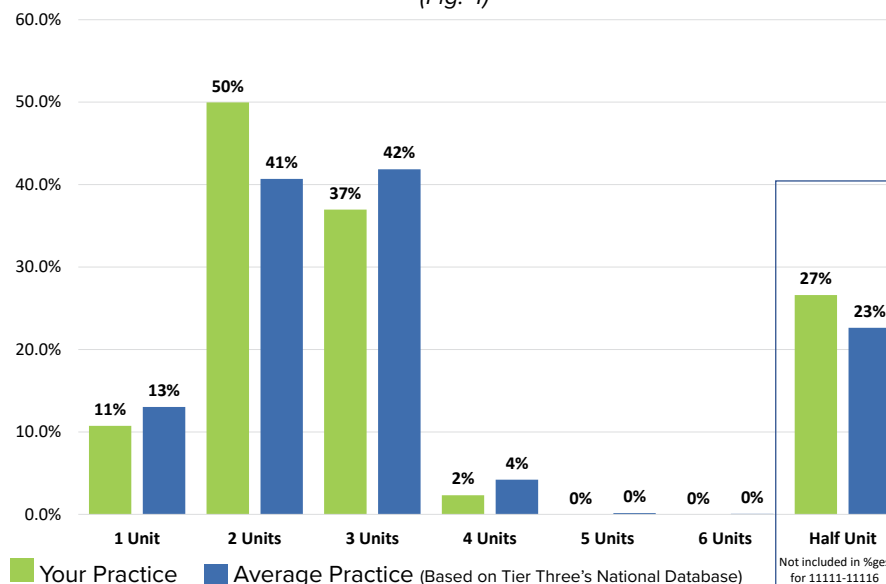
**Total Billings Per Patient Per Year
Across Multiple Practices**

(Fig. 3)



Frequency of Completed Scaling Codes Ending Jan 31

(Fig. 4)



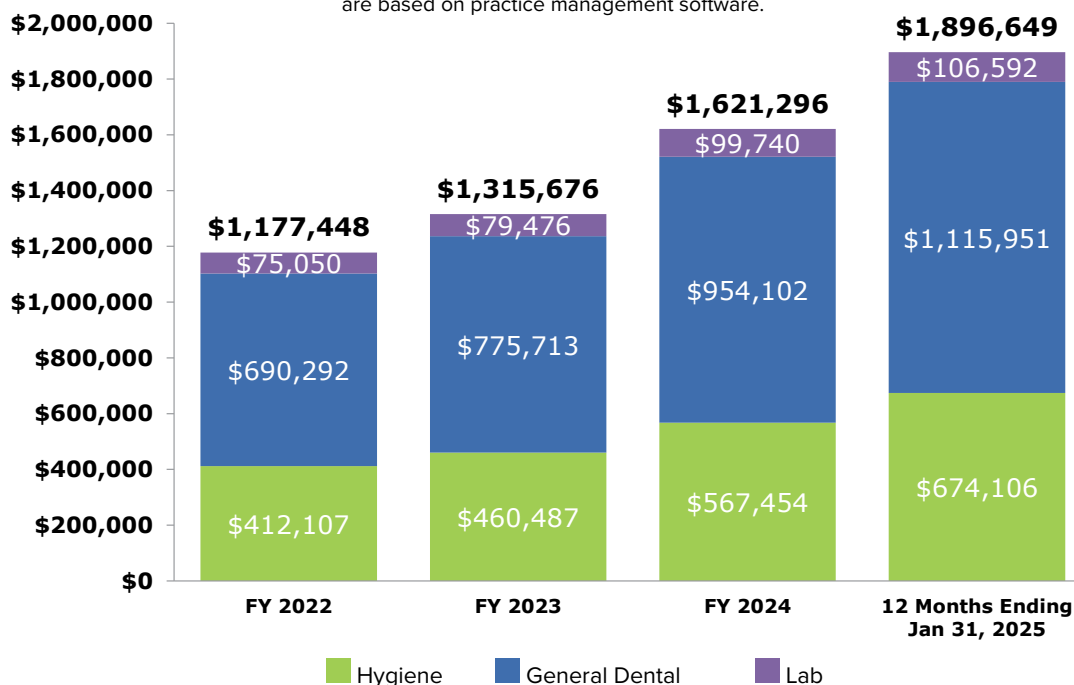
See the Full Picture of Your Practice's Financial Health

Utilizing straightforward graphs comprised of data from your practice management software, Tier Three demonstrates your practice's financial statements and performance across key metrics: (See Fig. 5)

1. We analyze revenue trends across services and providers over multiple years to assess stability and identify growth opportunities.
2. We also value your practice's cost structure, pinpointing one-time or unnecessary expenses to provide a clearer, more accurate financial picture, helping you pinpoint areas to improve profitability and streamline operations.

Revenue Progression by Category (Fig. 5)

Note: Full fiscal years based on accountant financial statements while other periods are based on practice management software.



"After 35 years in practice, the thought of closing the doors and leaving the city was very distressing, we knew the task of selling the practice would not be easy. From our very first conversation, our Sales Representative and Transition Consultant's optimism, transparency, and years of experience shone through...and made the entire process less stressful. The attention to detail saved time and alleviated any concerns for both me and the buyer. Overall, Tier Three Brokerage was instrumental in the sale of my practice, and I would wholeheartedly recommend them to anyone thinking about selling or buying a dental practice - they are the ones you want on your team!"

— Dr. J. B.

Data-Driven Forecasts – Turning Insights into Future Value

With a clear historical picture, Tier Three uses a discounted cash flow method to forecast value—factoring in untapped potential in billings and costs. This results in a market-driven, earnings-based appraisal that reflects the true potential of your practice.

By identifying opportunities for growth, you gain insight into areas where your practice can increase revenue—even before making changes.

To provide a complete financial picture, the forecast also includes a loan repayment schedule, helping potential buyers understand the affordability of the practice. By reducing perceived risk and clearly outlining cash flow availability, this added insight builds confidence and supports informed decision-making.

Forecasted Income Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Hygiene revenue	674,106	687,588	701,340	715,367	729,674
General dental revenue	1,115,951	1,138,270	1,161,036	1,184,256	1,207,942
Lab fees	106,592	108,724	110,898	113,116	115,379
Total Gross Revenue	1,896,649	1,934,582	1,973,274	2,012,739	2,052,994
Lab costs	106,592	108,724	110,898	113,116	115,379
Net Revenue	1,790,057	1,825,858	1,862,375	1,899,623	1,937,615
General dental wage @ 40%	446,381	455,308	464,414	473,703	483,177
Wages and benefits	531,062	541,683	552,517	563,567	574,838
Dental supplies	151,732	154,767	157,862	161,019	164,240
Occupancy costs	113,799	116,075	118,396	120,764	123,180
Utilities	13,924	14,202	14,487	14,776	15,072
Bank charges	22,760	23,215	23,679	24,153	24,636
Insurance	7,500	7,650	7,803	7,959	8,118
Professional services	8,000	8,160	8,323	8,490	8,659
Telephone	5,594	5,706	5,820	5,936	6,055
Advertising and promotion	18,966	19,346	19,733	20,127	20,530
Repairs and maintenance	17,525	17,876	18,233	18,598	18,970
Office expenses	18,966	19,346	19,733	20,127	20,530
Amortization	48,465	42,807	32,709	30,548	28,600
Expenses before financing costs	1,404,674	1,426,140	1,443,708	1,469,768	1,496,604
Potential interest	120,982	102,236	93,562	84,665	76,383
Income before taxes	264,401	297,482	325,105	345,190	364,628
Potential taxes	32,257	36,293	39,663	42,113	44,485
Cash flow (EBITDA)	433,848	442,525	451,376	460,403	469,611
Cash flow after tax before interest and loan repayment	401,591	406,232	411,713	418,290	425,127
Discounted Cash Flow and Earnings Multiple					
	Year 1	Year 2	Year 3	Year 4	Year 5
Operating cash flow after tax before loan repayment	401,591	406,232	411,713	418,290	425,127
Terminal value (5.5x Year 10 EBITDA)					
Total cash flow	401,591	406,232	411,713	418,290	425,127
Rate of Return	16.0%				
Value	\$2,685,585	Rounds to	\$2,686,000		
Earnings Multiple	6.2				

Loan Repayment Schedule					
Term of Loan 12 years					
	Year 1	Year 2	Year 3	Year 4	Year 5
Assumed interest rate ¹	4.70%	4.35%	4.40%	4.45%	4.55%
Operating cash flow after tax with interest added back	\$401,591	\$406,232	\$411,713	\$418,290	\$425,127
Practice loan (start of year)	\$2,686,000	\$2,462,167	\$2,238,333	\$2,014,500	\$1,790,667
Payments	-\$344,815	-\$326,069	-\$317,396	-\$308,498	-\$300,216
Interest	-\$120,982	-\$102,236	-\$93,562	-\$84,665	-\$76,383
Principal	-\$223,833	-\$223,833	-\$223,833	-\$223,833	-\$223,833
Practice loan (end of year)	\$2,462,167	\$2,238,333	\$2,014,500	\$1,790,667	\$1,566,833
Cash flow after loan repayment	\$56,776	\$80,163	\$94,317	\$109,792	\$124,910

¹ The interest rate forecast uses prime minus 0.25% in Year 1. Interest rates in future years are adjusted based upon the change in the yield curve in Canadian Government bonds as of May 27, 2025.

Strategic Insights to Support Your Practice's Ongoing Success

With Tier Three's insights, dentists can optimize their practice daily operations, improve efficiency, and build long-term profitability. Our expert guidance addresses the challenges you face in practice management and helps you plan for growth, making sure your practice thrives every day, not just when transitioning.

At Tier Three, we're committed to providing more than just valuation services; we are your trusted partner on this journey, empowering you to make informed decisions and optimize your practice for long-term success.

Optimizing Operations

We help you evaluate your practice's financial health, identifying areas for operational improvement that can increase efficiency and profitability.

Property Decisions

We provide cost scenarios for those considering whether to sell or retain their dental property, helping you weigh the long-term financial impact.

Lease Review

A preliminary analysis of your lease to uncover potentially harmful clauses that may impact the financial health of your practice, such as the presence of a demolition clause.

Staff Contracts

We review your staff and associate contracts and make note of termination, non solicitation and non-competition clauses within the agreements.

Managing One-Time Costs

We help identify expenses that could impact your practice's finances, offering strategies to minimize their effect on your bottom line.

Sale Scenarios

We assess different sale options, such as selling to single owner operators, your associate, and investment groups, to help you understand the potential outcomes.

These insights are designed to support your practice's growth, improve profitability, and ensure long-term sustainability, allowing you to focus on providing exceptional care to your patients while confidently navigating your career.

Stay proactive about your practice's performance. Get in touch with one of our Transition Consultants so we can understand your unique situation and goals, to allow us to provide practical solutions tailored to your unique practice.



**Ready to unlock your
practice's potential?
Get started today!**

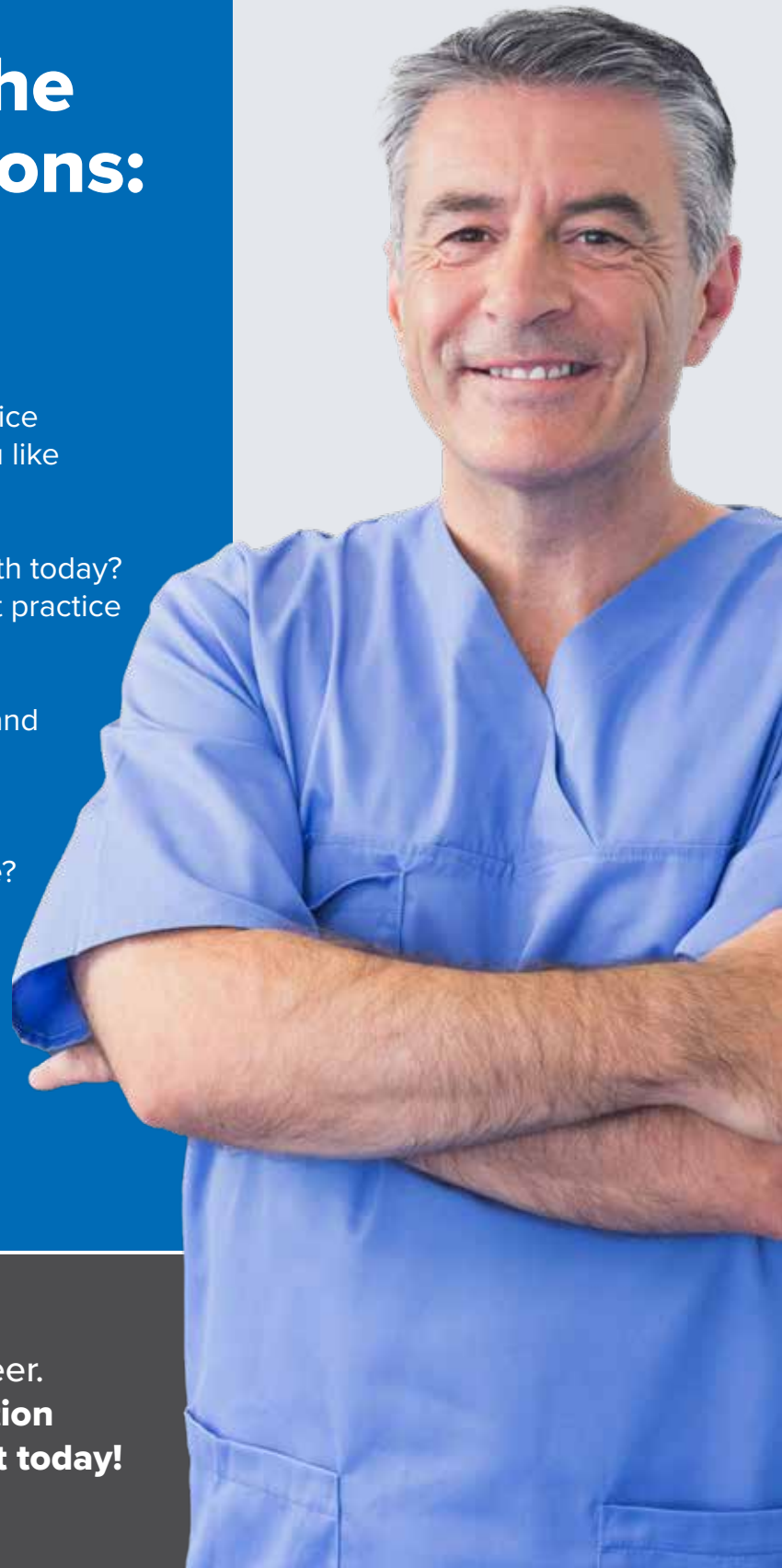
Scan the QR code!

As a Practice Owner, You Should be Able to Answer the Following Questions:

- 1** Do you have or have you considered an exit strategy?
- 2** How long do you plan on being a practice owner? If your health allows, would you like to continue practicing after that point?
- 3** Do you know what your practice is worth today? How do you know? When was your last practice appraisal done?
- 4** Have you met with a financial planner and have a documented plan? Have you established a liquid financial resources target that will enable you to retire with your desired lifestyle or level of income?

**Not sure?
Let's have a conversation!**

Tier Three Brokerage has your best interests in mind throughout your career.
Schedule a complimentary consultation with your local Transition Consultant today!





 **HENRY SCHEIN**® 
TIER THREE BROKERAGE LTD

221 Jacob Keffer Pkwy
Concord, ON L4K 5T9
888-437-3434

: www.tierthree.ca
: info@tierthree.ca
:    