PORTRAIT

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PRACTICE OWNER RESOURCES

Med spa valuation *worksheet*

Gather your earnings, operating details and supporting records. Use this worksheet to prepare for a conversation with your CPA, attorney or a qualified appraiser or business broker.

WORKSHEET SECTIONS

01 Your practice at a glance
02 SDE and add-backs
03 From SDE to adjusted EBITDA
04 Revenue by service line
05 Recurring revenue and dependence
06 Lease, location and assets
07 Your value range worksheet
08 Documents to gather

HOW TO USE THIS

01

Choose a reporting period and gather the records that cover it.

02

Replace the gray prompts with your figures and notes. Mark estimates clearly.

03

Review your entries and open questions with your CPA or appraiser.

Earnings | Practice details | Document checklist

Get the latest version at:
portraitcare.com/post/med-spa-valuation

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BUSINESS SNAPSHOT

Your practice at a *glance*

Use the same reporting period throughout. Keep a source beside each figure so someone else can trace it.

Practice name	*enter your practice name*
Locations	*list your locations and identify which this worksheet covers*
Years open	*enter years in operation for each location*
Services	*list the service categories you offer*
Team	*list roles, responsibilities and employment arrangements*
Ownership structure	*describe the entities and ownership interests in your current documents*
Reporting period	*enter the start and end dates covered by your figures*
Accounting basis	*ask your CPA to identify the accounting basis used in these records*
Purpose of estimate	*describe the sale, partner discussion or other decision you are preparing for*
Open questions	*list missing information and who can confirm it*

Who may own or buy a med spa, and how a non-physician buyer can structure ownership, varies by state. Confirm with your state board and an attorney.

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YOUR EARNINGS

SDE and *add-backs*

Start with net profit from your tax return or profit and loss statement. Add eligible owner and non-recurring expenses already deducted. Count each expense once and keep the supporting record.

LINE ITEM	YOUR AMOUNT	SOURCE
Net profit	$	*enter net profit, reporting period and source*
Owner salary	$	*enter owner salary deducted from net profit*
Owner benefits	$	*enter deducted owner benefits and identify supporting records*
Personal expenses run through the practice	$	*enter deducted personal expenses, with records for CPA review*
One-time costs	$	*enter supported non-recurring costs not listed elsewhere*
Interest	$	*enter interest expense deducted from net profit*
Depreciation	$	*enter depreciation expense deducted from net profit*
Amortization	$	*enter amortization expense deducted from net profit*
Non-recurring legal or consulting fees	$	*enter deducted non-recurring fees not included in one-time costs*
Family payroll above market	$	*enter only deducted pay above documented market compensation for the work performed*
Income tax reconciliation	$	*ask your CPA whether net profit includes deducted income taxes requiring adjustment; record the amount and basis*
Total SDE after supported add-backs	**$**	***add net profit and supported adjustments after CPA review***

Tips for your *add-backs*

- **Document each adjustment**
  Keep receipts, invoices or payroll records with your explanation.
- **Separate your roles**
  Record the clinical and management work someone would need to cover.
- **Check ongoing costs**
  Explain why each proposed operating expense would not continue under a buyer.
- **Avoid double counting**
  Include only deducted expenses, and enter each expense once.

SDE is an earnings starting point for discussion. A sale price also depends on the multiple and transaction assumptions.

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YOUR EARNINGS BRIDGE

From SDE to adjusted *EBITDA*

Adjusted EBITDA needs to reflect the ongoing cost of running the practice after you leave. Subtract market pay for the clinical and management work you do, whether or not your books pay you for it. The SDE page already added back any pay your books deduct for you.

SDE carried forward	*enter the reviewed SDE total from the preceding page*
Owner's clinical work	*describe duties, hours and the qualifications needed to cover them*
Market-rate clinical wage to subtract	*enter the wage for the actual workload, with source and date*
Owner's management work	*describe duties and hours separately from patient care*
Market-rate management wage to subtract	*enter the wage for the actual workload, with source and date*
Related employment costs to subtract	*enter ongoing benefits and employer costs not already included in expenses*
Other ongoing cost adjustments	*record supported adjustments, their direction and your CPA's explanation*
Total adjusted EBITDA	*subtract replacement compensation and related costs from SDE, then apply reviewed ongoing cost adjustments*

Wage estimates should reflect the responsibilities and hours a replacement would cover. Avoid overlapping clinical and management hours. Keep replacement payroll already included in your books out of these deductions.

For replacement pay, start with the BLS median for nurse practitioners alone, $132,300 (May 2025, all settings). The Bureau of Labor Statistics (BLS) median for registered nurses was $97,550 (May 2025), across all settings.

As a second reference, AmSpa's 2024 State of the Industry report gives 2023 average full-time med spa compensation of $131,571 for nurse practitioners, $86,983 for registered nurses and $81,139 for practice managers (p.44). These figures come from samples of 40 to 52 respondents. Use the practice manager figure only for management work you do yourself. The report surveyed 375 med spa owners and staff from September 2023 to March 2024.

These are reference points only. AmSpa members were 71% of respondents (p.4), and 50% opened their practice since 2020 (p.34). Review local wage evidence with your CPA or appraiser.

Reviewed by	*record who reviewed the reconciliation and when*

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YOUR TREATMENT MIX

Revenue by service *line*

Use matching periods for revenue and product cost. Product cost as a share of revenue equals product cost divided by revenue, expressed as a percentage. Keep staffing and other operating costs separate.

SERVICE LINE	REVENUE	PRODUCT COST	PRODUCT COST AS A SHARE OF REVENUE
Neuromodulators	*enter revenue*	*enter product cost*	*calculate share*
Dermal fillers	*enter revenue*	*enter product cost*	*calculate share*
Skin treatments	*enter revenue*	*enter product cost*	*calculate share*
Lasers and devices	*enter revenue*	*enter consumable product cost*	*calculate share*
Skincare retail	*enter revenue*	*enter product cost*	*calculate share*
Other	*enter revenue and category*	*enter product cost*	*calculate share*
Total	***add revenue***	***add product cost***	***divide total product cost by total revenue***

Revenue source	*identify the report and reporting period*
Product cost basis	*describe how your CPA matched product cost to revenue and accounted for inventory*
Cost exclusions	*identify staffing, equipment finance and other costs recorded outside product cost*
Supplier terms	*record pricing terms, supporting contracts and whether the terms transfer to a buyer*
Unusual activity	*explain timing differences, returns or other entries requiring review*

If a service line has no revenue, mark the share calculation as not applicable and explain the related cost.

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YOUR RETENTION RISKS

Recurring revenue and *dependence*

Separate recurring payments from visits already delivered. Show the services still owed so a buyer can assess the resources needed to provide them.

Patient subscriptions	*record active agreements, payment terms and revenue for the reporting period*
Subscription cancellations	*record cancellations and explain how you measured them*
Packages	*record package sales and cash collected for the reporting period*
Services still owed	*list undelivered services, remaining balances and the records supporting them*
Cost of remaining services	*estimate the product and staffing costs to deliver outstanding services, with assumptions*
Repeat visits	*record your repeat patient measure, reporting period and calculation method*

Revenue by *provider*

Copy this field set for each provider. Use the same revenue basis throughout.

Provider role or identifier	*identify the provider without including patient details*
Provider revenue	*enter attributed revenue and source*
Share of practice revenue	*divide provider revenue by total practice revenue and express as a percentage*
Patient continuity	*describe relationships that depend on this provider and available coverage*

Work that depends on *you*

Clinical responsibilities	*describe care you provide and who could cover it*
Management responsibilities	*describe decisions, staff support and administrative work you handle*
Patient relationships	*describe how bookings depend on your personal availability*
Handover needs	*identify duties requiring documentation, training or a replacement*

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YOUR PHYSICAL FOOTPRINT

Lease, location and *assets*

Describe what the practice uses and what it owns. Give your attorney the underlying contracts to review.

Location	*enter the address and services offered at this location*
Lease term	*record start date, end date and current rent obligations*
Renewal	*record renewal options, notice requirements and where the lease states them*
Assignment	*record assignment provisions and questions for your attorney*
Location dependence	*describe access or physical features the practice needs to operate*
Leasehold improvements	*list improvements and supporting records*

Equipment and *inventory*

Copy the equipment fields for each item. Describe equipment by category without product or manufacturer names.

Equipment category and condition	*describe the item, condition and current use*
Owned or financed	*record whether owned or financed and the supporting document*
Financing balance and terms	*enter the current balance and attach the agreement, if applicable*
Maintenance obligations	*record ongoing service requirements and costs*
Inventory on hand	*record category, quantity, cost, expiry information and count date*
Asset scope questions	*list items whose inclusion in a potential sale needs confirmation*

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VALUATION INPUTS

Your value range *worksheet*

Use adjusted earnings and a multiple range supplied by your business broker or qualified appraiser. Confirm that the range uses the same earnings measure and reporting period as your worksheet.

Earnings measure	*identify SDE or adjusted EBITDA and explain why it fits*
Adjusted earnings	*enter the reviewed earnings amount and reporting period*
Low multiple	*enter the lower end of the range your broker or appraiser provides*
High multiple	*enter the upper end of that range*
Multiple source	*record the source, date, comparable transactions and explanation from your broker or appraiser*
Low indicated value	*adjusted earnings x low multiple = low indicated value*
High indicated value	*adjusted earnings x high multiple = high indicated value*
Assets and obligations included	*record what the range assumes about equipment, inventory and obligations*

Adjustments for *risk*

Risk to review	*describe dependence, continuity or another issue affecting the estimate*
Where reflected	*identify whether the earnings, multiple or a separate adjustment already reflects this risk*
Supported adjustment	*record the direction, amount and broker or appraiser's reasoning*
Low indicated value after review	*enter the reviewed low estimate after supported adjustments*
High indicated value after review	*enter the reviewed high estimate after supported adjustments*
Open assumptions	*list evidence still needed and who will provide it*
Review date	*record when your broker or appraiser reviewed these assumptions*

Avoid counting the same risk in both the multiple and a separate adjustment. These estimates are discussion inputs, not an appraisal or a promised sale price.

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YOUR SUPPORTING RECORDS

Documents to *gather*

Mark what you have, then note anything missing. Match financial records to the worksheet's reporting period.

- [ ] Tax returns and supporting schedules.
- [ ] Bank statements and reconciliation records.
- [ ] Receipts, invoices and explanations for proposed add-backs.
- [ ] Revenue and product cost reports by service line.
- [ ] Package records and schedules of services still owed.
- [ ] Ownership documents and existing operating agreements.
- [ ] Equipment records, financing agreements and maintenance contracts.
- [ ] Supplier contracts and evidence of pricing terms.
- [ ] Business broker or appraiser's multiple source and assumptions.
- [ ] Questions for your attorney about ownership and proposed sale terms.
- [ ] Profit and loss statements and balance sheets.
- [ ] Payroll reports, owner compensation and benefit records.
- [ ] Local wage evidence and replacement role descriptions.
- [ ] Patient subscription terms and activity reports.
- [ ] Revenue reports by provider and documented responsibilities.
- [ ] Lease, amendments and renewal or assignment provisions.
- [ ] Inventory count and cost records.
- [ ] Existing medical director agreement and associated cost records, if applicable.
- [ ] Questions for your CPA about financial reconciliation and sale allocation.

Missing documents *list each document, who holds it and when you expect it*

Unresolved questions *record what needs CPA, attorney or appraiser review*

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