

# Estimated Pharmacy Value



Enter data in yellow column

Normal Range for 'typical' pharmacy

Annual Sales	4,000,000
Net Profit	160,000
Inventory	280,000
Owner's Salary	120,000
Annual Prescriptions	65,000
Fixtures/Equipment	40,000

	Low	High
Annual Sales	2,228,564.	6,500,000.
Net Profit	32,000.	205,000.
Inventory	150,000.	350,000.
Owner's Salary	60,000.	195,000.
Annual Prescriptions	41,000.	125,000.
Fixtures/Equipment	12,500.	150,000.

Percentage of Sales Method

\$1,000,000

Percentage of Sales Plus Inventory Method

\$920,000

Net Profit Approach

\$800,000

Net Income Multiple Plus Inventory

\$792,000

\$15 per prescription (includes inventory)

\$975,000

Value of Pharmacy Range		
Min		Max
\$792,000	to	\$1,000,000
Average Value		
\$897,400		

The value of a pharmacy must be considered on a case by case basis, and the above calculations are simply informal. There are many other factors that can affect the value of a pharmacy that are not incorporated into the above formulas. Such factors include (but are not limited too) the physical appearance, condition, and location of the pharmacy, competition in the market, economic trends within the community, the image of the pharmacy in the local community, inventory composition and condition, and cash flow of the pharmacy. Where a number is provided in yellow column it is an average cited in the 2014 NCPA Digest, sponsored by Cardinal Health.

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