

Business Valuation Initial Information Needs List for Pharmacy Valuation, Single or Multi-Location



For Questions Regarding this List Contact:
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Note: Please provide information in PDF format (not password protected). We have a ShareFile account to which this information can be uploaded easily from your computer (information encrypted during transmission and at rest on ShareFile) and is easier and more secure than by email. Please email the names and email addresses of parties who will have access to submitting or retrieving information from ShareFile and we will establish password protected accounts for them.

Company:

Valuation Date (Value as of):

1. Detailed annual financial statements (accrual, if available) (consolidated and consolidating), for the last five fiscal years to the valuation date, including balance sheets, income statements, schedules, statement of cash flows, accompanying accountant notes to statements. Copies of any audited, compiled or reviewed financial statements.
2. Federal corporation (or partnership if LLC) income tax returns (including all schedules) for the last five fiscal years to the valuation date. Include copies of all amended returns.
3. Latest interim and fiscal year-to-date financial statements to the valuation date, including detailed balance sheet and income statements, and for same fiscal year-to-date period of prior year.
4. Current detailed accounts receivable aging as of valuation date.
5. Revenues by product line, compounding, etc. latest fiscal year on or prior to the valuation date. If the pharmacy has a separate wholesale compounding unit, please provide financial results for this unit. Results for any other business lines.
6. Prescriptions volume filled in numbers, by year, last three years.
7. Average price per prescription filled, by year, last three years.
8. If a multi-location pharmacy operation, please provide detailed income statement results by location, each of the last three years.
9. Retail pharmacy location information:
 - List of locations open at valuation date.
 - Date each location was opened.
 - Detailed income statement results by location, each of the last three years.
 - Summary of lease terms by location- rent, expiration date of lease, options for renewal, etc. Note any that are leased from related parties, and if so, whom.
 - List of any locations planned for closure or relocation and brief summary of reason.
 - List of any new locations planned for opening, estimated timing.
 - List of any locations closed in the last five years.
 - If planning to open new locations, the estimated costs to do so- real estate and related upfit costs (if not being borne by landlord), initial investment in inventory (along with funding provided by suppliers, if any), furniture, fixtures and information systems and point of sale and related costs, initial working capital needs.
10. Budgets, forecasts or business plans or projections of any kind, if any.
11. Pharmacy cooperatives and related:
 - Information on any independent cooperatives for purchasing and/or contracting with pharmacy benefits managers in which the pharmacy is a member or owner.
 - Ownership percentage and shares and in whose name. Information on any buy-sell provisions, restrictions on transfer, etc.
 - Information on any pharmacy benefits manager networks in which the Company is not approved and its impact on Company.
12. List of key senior management employees, along with start date, position and responsibility, information on any employee agreements or non-competes. If a small one or several location pharmacy company, provide a list of all licensed pharmacists, pharmacy technicians, as of the valuation date, including position, start date with Company, annual compensation.

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13. Compensation paid each officer, director, shareholder (or manager or member if LLC) and each of their respective family members by the Company, by year, for each of the last five fiscal years leading up to the valuation date, as well as the fiscal year-to-date period ended the valuation date. Copies of form W2s and 1099s for each for the same periods.
14. Copies of all existing contracts of any kind, including but not limited to the following:
 - Customer contracts (e.g., wholesale contracts for compounding, etc.)
 - Employment agreements
 - Covenants-not-to-compete
 - Supplier and/or franchise agreements
 - Customer agreements and contracts
 - Lease on premises, if any, and any amendments
 - Loan agreements with banks and other financial institutions
15. Schedule of life insurance in force on officers, shareholders, with the following information on policies covering shareholders (members if LLC) or officers (or also managers, if LLC), including:
 - Face amount of policy
 - Beneficiary
 - Cash value, if any, at the valuation date
 - Amount of annual premiums paid by the Company
16. Company corporation (or LLC) documents, including:
 - Articles of incorporation (articles of organization if LLC), bylaws (operating agreement if LLC), and any amendments to foregoing
 - Corporate minutes, last five years.
 - Shareholder or other buy-sell agreements
17. Ownership as of the valuation date. If multiple share (or membership if LLC) classes (e.g., voting, non-voting), list by class.
18. Information on all prior transactions in Company shares (or member interests if LLC) (for consideration, not gifts) including terms, purchase price, any written contracts.
19. Information on any past, current or potential future offers, plans, or consideration given to buy or sell part or all of the Company's shares (member interests if LLC) or assets, even if general, or highly preliminary, currently or historically. Discussions with any possible buyer and information on any offers received.
20. Copies of any offering memoranda, marketing information or other documents provided to solicit buyers of the Company, for undertaking a public or private offering of the Company's shares/membership interests or assets, or to raise venture capital or financing of any kind.
21. Copies of business plans prepared, if any.
22. Information on any related party transactions (e.g., leases of real property or equipment, guarantees, services or products purchased, etc.).
23. Information on any prior or current pending or threatened problems with state pharmacy boards or other regulatory authorities related to the Company or any of its employees.
24. Any contingent or off-balance sheet assets or liabilities of any kind whatsoever as of the valuation date, such as:
 - Pending or threatened lawsuits.
 - Regulatory compliance requirements.
 - Warranty or other product liability.
 - Hazardous waste/environmental.
 - ERISA claims or problems.
 - OSHA problems.
 - IRS audits, disputes, tax liens.
 - Letter of credit liabilities.
 - Liens or judgments of any kind.
 - Guarantees by Company of any obligations.
 - Actual, pending or threatened default on loan, lease or financing agreements of any kind. Actual, pending or threatened acceleration of loans, leases or financing agreements. of any kind. Non-compliance with loan, lease or financing agreement terms and conditions of any kind.
 - Off balance-sheet assets or liabilities of any kind not showing on the Company's balance sheet as of the valuation date.
25. Information on:
 - Any recent, pending or possible future loss of a key product line, distributorship right, customer, supplier or financing source which might materially impact the business.

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- Any recent, pending or possible future addition of a key product line, distributorship right, customer, supplier or financing source which might materially impact the business.
 - The recent loss of key employees that might harm the business, whether through a loss of revenues, result in the establishment of a competing company, or any other material impact on the business.
 - Pending or possible acquisitions or purchases of other companies or assets, product lines, etc.
26. Copies of any existing indicators of asset values as of or near the valuation date, including latest property tax assessments and any appraisals that have been prepared including real and personal property appraisals of assets owned by the Company.
 27. List of all assets/liabilities not used in the day-to-day business as of the valuation date. This might include, among other items, marketable securities, cash value of life insurance, investment or excess real estate, assets held for sale or for personal use. Information on the market value and cost basis of each as of the valuation date.
 28. Information on any compensation paid to individuals not working in the business on a daily basis for each of the last five fiscal years leading up to the valuation date, and for the year-to-date period ended the valuation dates. Provide amounts by each by year and year-to-date.
 29. Information on any unusual or non-recurring income or expense items in the last five fiscal years leading up to the valuation date.
 30. Copies of any patents, trademarks, copyrights held by the Company.
 31. Appraisals of real estate owned as of the valuation date as prepared by state licensed and certified appraisers. Appraisal of the market value of rent expense, as of the valuation date, of any real estate leased to the Company by a related party.
 32. Any on any other material factor impacting (or potentially impacting) the Company, its results or value as of the valuation date.