

The Last 61 Days vs. The Next 31 Days *May 1, 2020*

From March 1 to April 30, LPS signed over **\$247,000,000** in new client value. One large GP client worth \$180,000,000+ skewed the numbers, but the other \$67.0 million were pedo, endo, ortho, OMFS and perio practices ranging in value from \$3.0 million to over \$10,000,000.

We are already fielding offers for many of these groups and have signed definitive Letters of Intent for clients with buyers at a Total Enterprise Value of over **\$51,000,000 since April 1**. We expect to get 10+ offers for our large GP in the coming weeks. Dental is still popular!

Silent Partner IDSOs, although fewer of them, are still buying interests in great practices and the “inventory” of available doctors is growing exponentially. **The laws of supply and demand still apply in a pandemic and you have 31 days to get started to close in 2020.**

The Divergent Views of the Future; What YOU Believe is The Risk

The IDSO partner’s expectations TODAY, are that as offices reopen, practices will service pent-up demand with full schedules and return to Before-Covid (BC) collections levels quickly. We will know whether this is true or not in the next 120 days as practices started reopening last week in multiple states. BUT SOME EXPERTS BELIEVE DIFFERENTLY...

The American Dental Association, Health Policy Institute issued a report on April 24 which forecasts a decline in U.S. dental practice revenues of close to 66% in 2020 and 32% in 2021. Note: Unlike many of the ADA reports, there was no press release issued...

One of these groups is wrong. Which forecast are you willing to gamble a substantial portion of your net worth on now? You have until June 1, 2020 to decide which you believe. **Doctors who want to close transactions by year end 2020 to beat the inevitable 2021 tax increase need to start by June 1, which is 31 days from now.**

Many large and profitable (BC anyway) practices have the opportunity TODAY, to monetize a part of their practices’ value. These doctors can **get 60% to 90% of the value of their practice in cash, now**, at the 2020 federal tax rates of 20%. The doctors will retain ownership and continue to lead their practices under their brand, with their team and their strategy for at least five years and longer. **There are benefits to cash in your pocket and large, resourceful partners in the Covid era depression which has already started.**

Timing is Critical; Start By June 1, or Wait Until Late 2021

Doctors who decide to wait until their return to BC collections levels will have to include their March/April/May 2020 results when calculating value. Deals signed now are based on 12/31/19 or end of February 2020 numbers. As I said in late 2018 and 2019, we were at the PEAK in practice values. I am very confident that 2021 will have lower values than 2020. And you get the tax increase as a bonus... **You are gambling a large part of your net worth that I am wrong.**