

ORRIDGE

PHARMACY SALES



Selling Pharmacies for over 160 Years

The Past – 2008

Was it that bad? In part yes but there were some signs in the last quarter of 2008 that the pharmacy sales market was beginning to recover. Even as long ago as October 2008, when many were already claiming that funding had become impossible to secure, the banks were still willing to lend on sensible terms, to sound investors – you just needed to know who to ask. At the height of the market, the banks would be willing to lend money on the basis of a percentage equity commitment from the buyer. By the end of 2008, they were looking, more sensibly in our opinion, at the size of loan a business could reasonably repay. For example, if a purchase price was £500k and the business could adequately service a loan of £400k, then the purchaser needed to fund the difference.

With a return of sensible lending terms (better for owners and banks alike), more buyers and increased confidence, what does 2009 hold for the pharmacy sales market?

The Future – 2009 and beyond

In our view this has created a unique opportunity for buyers in 2009. Unless a business is fortunate to be in greatest demand, prices have stabilised, interest rates are at an historic low and the banks are lending on sensible terms. We believe that the economic environment as it is today, offers more realistic opportunities for purchasers than we have seen in well over a decade. The market has been quick to readjust, however there have been strong signs of a recovery in the first quarter of 2009. The expectation of buyers and vendors has reached a point where a skilled negotiator can bring about a deal to both sides satisfaction and get it “across the line” to a successful conclusion. The demand for good businesses is higher now than at any time within the last 12 months and we expect this trend to continue. The heady days of the last few years have been replaced by sensible prices offering excellent returns for vendors. It is unlikely that the “supercharged” prices achieved since 2005 will be achieved again until bankers lose sight of reality again – hopefully never.

Anyone considering selling at the moment needs to employ an experienced agent who is working in their best interests. We will use our experience, dedication and application to achieve what every vendor deserves – a sensible sale at the highest possible price.

Care Homes

Many pharmacists supply care homes and an increasing number own or have a financial interest in one. We have all of the expertise on board to help with acquisitions and disposals of these businesses, so if you would like to discuss any matters relating to care homes, call Mark Phillips for a chat. And take a look at our website obs-care.co.uk

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