

Enter data for your pharmacy in Column C



Establishing a 'Blue Book' Value

Needed Inputs		Normal Range for 'typical' pharmacy		Value of Pharmacy	
		Min	Max	Min	Max
Annual Sales	3,900,000	2,228,564.	4,413,519.	Range	
Net Profit	128,000	32,760.	203,190.	Min	Max
Inventory	175,000	254,591.22	351,000.	\$412,000	\$858,000
Owner's Salary	109,000	47,255.13	195,000.	Average Value	
Annual Prescriptions	62,000	40,188.	74,808.	\$598,357	
Fixtures/Equipment	45,000	12,306.06	142,202.58		

Percentage of Sales Method

\$858,000

Percentage of Sales Plus Inventory Method

\$643,000

Net Income Approach

\$530,500

Net Profit Approach

\$640,000

Itemization

\$412,000

\$5 per prescription plus inventory

\$485,000

\$10 per prescription

\$620,000

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.

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