

Clinical Trial Sites | Valuation Drivers

Founders' Valuation Scorecard isolates the most important quantitative and qualitative factors that impact valuation multiples for clinical trial site businesses.

		3.0x	4.0x	5.0x	6.0x	Factors Influencing EBITDA Multiple	7.0x	8.0x	9.0x	10.0x+
Quantitative Factors	Financial Preparedness	Consistent reporting; ability to analyze data at the customer level; GAAP; proof of cash → quality of earnings is likely with investors								
	Book-to-Bill (Backlog/Pipeline Visibility)	<1.2x			New bookings vs. current contracts				>1.2x	
	Net Revenue Retention	<100%			Logo churn; revenue trend by sponsor				>105%	
	Revenue Growth	<5%			Revenue trend; revenue growth vs. industry; new logos won				>10%	
	EBITDA Margin	<30%			Performance vs. industry benchmarks; appropriateness of current infrastructure				>30%	
	Top 3 Customers (% of Revenue)	>60%			Customer concentration; revenue diversification				<30%	
	Employee Turnover	>30%			Employee engagement playbook – measurement, corrective actions, culture-building and incentives				<10%	
Qualitative Factors	Principal Investigators	Strong investor preferences for multiple investigators, as well as clear pipeline to replace any planned investigator departures / retirements								
	Patient Enrollment	Critical to have a proven patient recruitment and enrollment playbook, supported by a robust patient database, social media presence, and referral relationships								
	Therapeutic Sustainability	Important to have a thoughtful therapeutic area strategy, with either a diversity of capabilities or differentiated position within a specific niche								
	Management Team	Preference for an energetic, engaged team with capabilities to support growth, and few (if any), well-understood gaps								
	Physician Relationships	Sites should be able to prove an ability to perform independently of / decoupled from a professional physician practice								