

ModernGraham Valuation

Company Name:

Psychomedics Corp.

Company Ticker PMD

Date of Analysis

2/16/2016



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$65,671,029	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.37	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-32.16%	Fail
6. Moderate PEmg Ratio	PEmg < 20	26.99	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.28	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.37	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.87	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.42
MG Growth Estimate	-3.39%
MG Value	\$0.72
MG Value based on 3% Growth	\$6.12
MG Value based on 0% Growth	\$3.59
Market Implied Growth Rate	9.25%

MG Opinion

Current Price	\$11.39
% of Intrinsic Value	1573.65%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

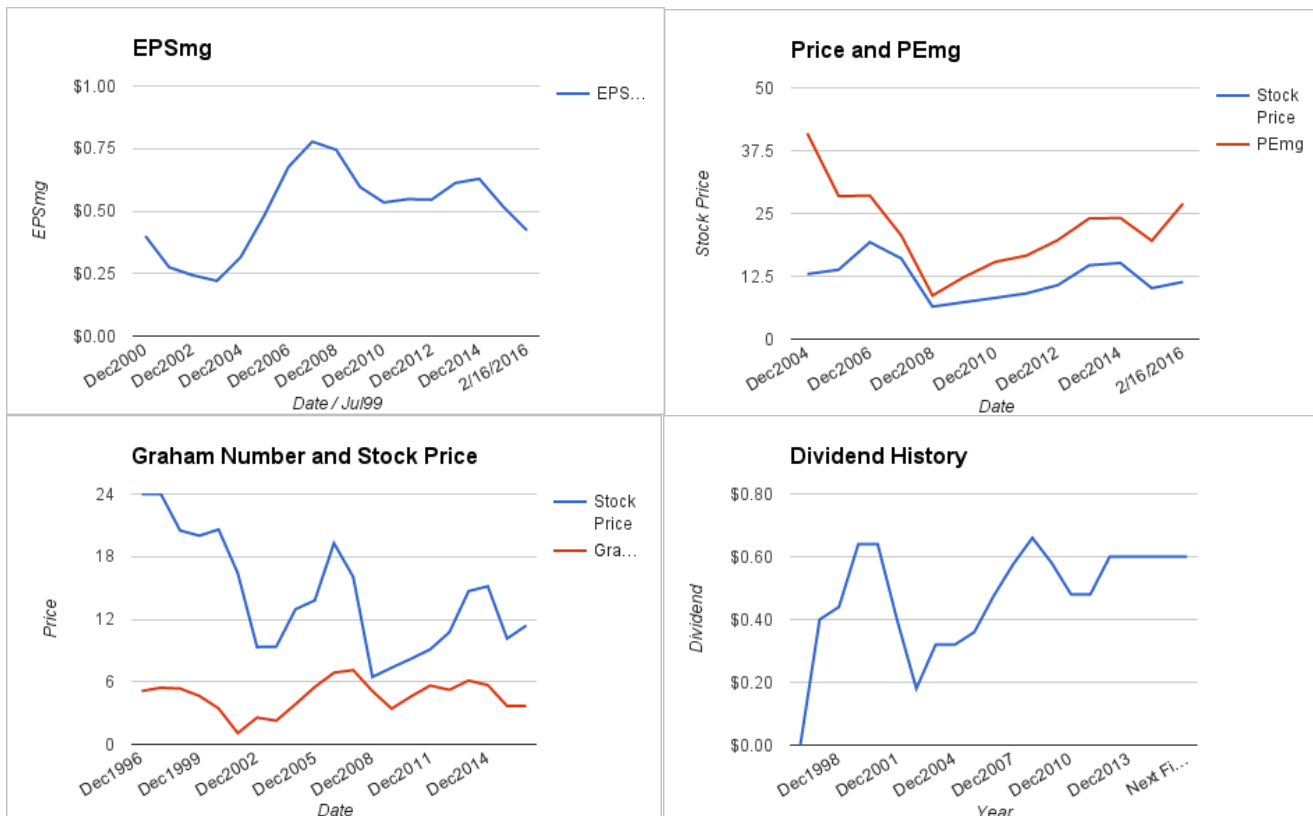
Net Current Asset Value (NCAV)	-\$0.41
Graham Number	\$3.68
PEmg	26.99
Current Ratio	2.37
PB Ratio	5.28
Dividend Yield	5.27%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.28	Next Fiscal Year Estimate	\$0.42
Dec2015	\$0.28	Dec2015	\$0.52
Dec2014	\$0.60	Dec2014	\$0.63
Dec2013	\$0.72	Dec2013	\$0.61
Dec2012	\$0.57	Dec2012	\$0.55
Dec2011	\$0.67	Dec2011	\$0.55
Dec2010	\$0.50	Dec2010	\$0.53
Dec2009	\$0.29	Dec2009	\$0.60
Dec2008	\$0.57	Dec2008	\$0.74
Dec2007	\$0.85	Dec2007	\$0.78
Dec2006	\$0.94	Dec2006	\$0.68
Dec2005	\$0.78	Dec2005	\$0.48
Dec2004	\$0.54	Dec2004	\$0.32
Dec2003	\$0.23	Dec2003	\$0.22
Dec2002	\$0.24	Dec2002	\$0.24
Dec2001	\$0.04	Dec2001	\$0.27
Dec2000	\$0.32	Dec2000	\$0.40
Dec1999	\$0.44	Balance Sheet Information Dec2015	
Dec1998	\$0.44	Total Current Assets	\$8,456,000
Dec1997	\$0.44	Total Current Liabilities	\$3,565,000
Dec1996	\$0.44	Long-Term Debt	\$4,272,000
		Total Assets	\$22,363,000
		Intangible Assets	\$0
		Total Liabilities	\$10,689,000
		Shares Outstanding (Diluted Average)	5,412,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

- [Psychemedics Corporation Valuation – November 2015 Update \\$PMD](#)
- [Psychemedics Corporation Analysis – August 2015 Update \\$PMD](#)
- [21 Companies in the Spotlight This Week – 5/9/15](#)
- [Psychemedics Corporation Quarterly Valuation – May 2015 \\$PMD](#)
- [Psychemedics Corporation Quarterly Valuation – January 2015 \\$PMD](#)

Other ModernGraham posts about related companies

- [Edwards Lifesciences Corp Valuation – February 2016 \\$SEW](#)
- [Cerner Corporation Valuation – February 2016 Update \\$CERN](#)
- [Henry Schein Inc Valuation – February 2016 Update \\$HSIC](#)
- [Medtronic PLC Valuation – January 2016 Update \\$MDT](#)
- [PerkinElmer Inc Valuation – January 2016 Update \\$PKI](#)
- [Quest Diagnostics Inc Valuation – January 2016 Update \\$DGX](#)
- [Dentsply International Inc Valuation – November 2015 Update \\$XRAY](#)
- [UnitedHealth Group Inc. Valuation – November 2015 Update \\$UNH](#)
- [DaVita HealthCare Partners Inc Valuation – November 2015 Update \\$DVA](#)
- [Align Technology Inc. Valuation – November 2015 Update \\$ALGN](#)