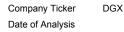
# **ModernGraham Valuation**

**Company Name:** 

**Quest Diagnostics Inc** 



7/28/2016



Pass

# 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 Enterpris	se Market Cap > \$2Bil	\$11,774,346,808 Pass
2. Sufficiently Strong Financial C	ondition Current Ratio > 2	1.36 Fail
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	60.26% Pass
6. Moderate PEmg Ratio	PEmg < 20	18.07 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.67 Pass
Enterprising Investor; must pass 4 out of the following 5	tests, or be suitable for the Defensive Investor.	
1. Sufficiently Strong Financial C	ondition Current Ratio > 1.5	1.36 Fail
2. Sufficiently Strong Financial C	ondition Debt to NCA < 1.1	9.61 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass

EPSmg greater than 5 years ago

#### Suitability

Defensive	Yes
Enterprising	Yes

#### Stage 2: Determination of Intrinsic Value

5. Earnings Growth

	EPSmg		\$4.72
	MG Growth Estimate		5.49%
	MG Value		\$91.91
	MG Value based on 3% Growth		\$68.44
	MG Value based on 0% Growth		\$40.12
	Market Implied Growth Rate		4.79%
MG Opinion			
	Current Price		\$85.31
	% of Intrinsic Value		92.82%
	Opinion	Fairly Valued	
	MG Grade	В-	

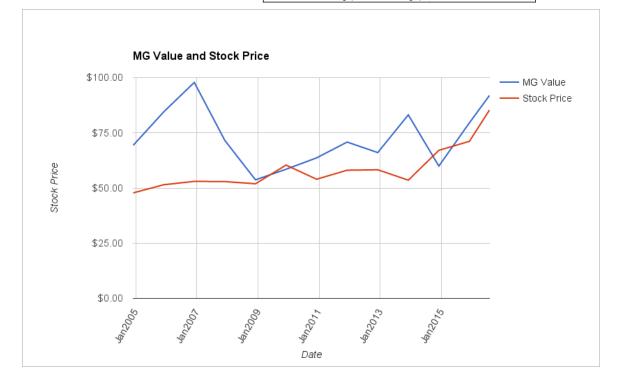
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$28.61
Graham Number	\$60.49
PEmg	18.07
Current Ratio	1.36
PB Ratio	2.67
Current Dividend	\$1.56
Dividend Yield	1.83%
Number of Consecutive Years of Dividend Growth	2

Useful Links:

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

EPS History		EPSmg History	
Next Fiscal Year	¢5.07		¢ 4 7
Estimate		Next Fiscal Year Estimate	\$4.72
Dec2015	\$4.87	Dec2015	\$4.40
Dec2014	\$3.81	Dec2014	\$4.10
Dec2013	\$5.54	Dec2013	\$4.15
Dec2012	\$3.46	Dec2012	\$3.46
Dec2011	\$2.92	Dec2011	\$3.34
Dec2010	\$4.05	Dec2010	\$3.40
Dec2009	\$3.87	Dec2009	\$3.00
Dec2008	\$2.97	Dec2008	\$2.55
Dec2007	\$1.74	Dec2007	\$2.35
Dec2006	\$2.94	Dec2006	\$2.54
Dec2005	\$2.66	Dec2005	\$2.19
Dec2004	\$2.35	Dec2004	\$1.80
Dec2003	\$2.06	Dec2003	\$1.35
Dec2002	\$1.62	Dec2002	\$0.88
Dec2001	\$0.83	Dec2001	\$0.43
Dec2000	\$0.54	Dec2000	\$0.19
Dec1999	-\$0.03	Balance Sheet Information	6/1/2016
Dec1998	\$0.22	Total Current Assets	\$1,510,000,000
Dec1997	-\$0.19	Total Current Liabilities	\$1,111,000,000
Dec1996	\$0.00	Long-Term Debt	\$3,835,000,000
		Total Assets	\$10,109,000,000
		Intangible Assets	\$6,986,000,000
		Total Liabilities	\$5,572,000,000
		Shares Outstanding (Diluted Average)	142,000,000





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 Oracle and	18 Best Stocks For Value Investors This Week – 1/30/16
ModernGraham posts about the company	Quest Diagnostics Inc Valuation – January 2016 Update \$DGX
	8 Best Stocks For Value Investors This Week – 10/13/15
	Quest Diagnostics Inc. Analysis – October 2015 Update \$DGX
	The Best Companies of the Medical Industry – September 2015
Other Medere Crehem	Tenet Healthcare Corp Valuation – July 2016 \$THC
ModernGraham posts about related companies	Laboratory Corp of America Holdings Valuation – July 2016 \$LH
	Medtronic PLC Valuation – July 2016 \$MDT
	Intuitive Surgical Inc Valuation – July 2016 \$ISRG
	Cardinal Health Inc Valuation – July 2016 \$CAH
	PerkinElmer Inc Valuation – July 2016 \$PKI
	Varian Medical Systems Inc Valuation – July 2016 \$VAR
	St. Jude Medical Inc Valuation – June 2016 \$STJ
	Zimmer Biomet Holdings Inc Valuation – June 2016 \$ZBH
	Waters Corporation Valuation – May 2016 \$WAT