

ModernGraham Valuation

Company Name:

HCA Holdings Inc

Company Ticker HCA

Date of Analysis

8/30/2016



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	\$29,094,241,789	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.69	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	534.43%	Pass
6. Moderate PEmg Ratio	PEmg < 20	15.36	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-3.74	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	1.69	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.44	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.95
MG Growth Estimate	7.08%
MG Value	\$112.27
MG Value based on 3% Growth	\$71.84
MG Value based on 0% Growth	\$42.11
Market Implied Growth Rate	3.43%

MG Opinion

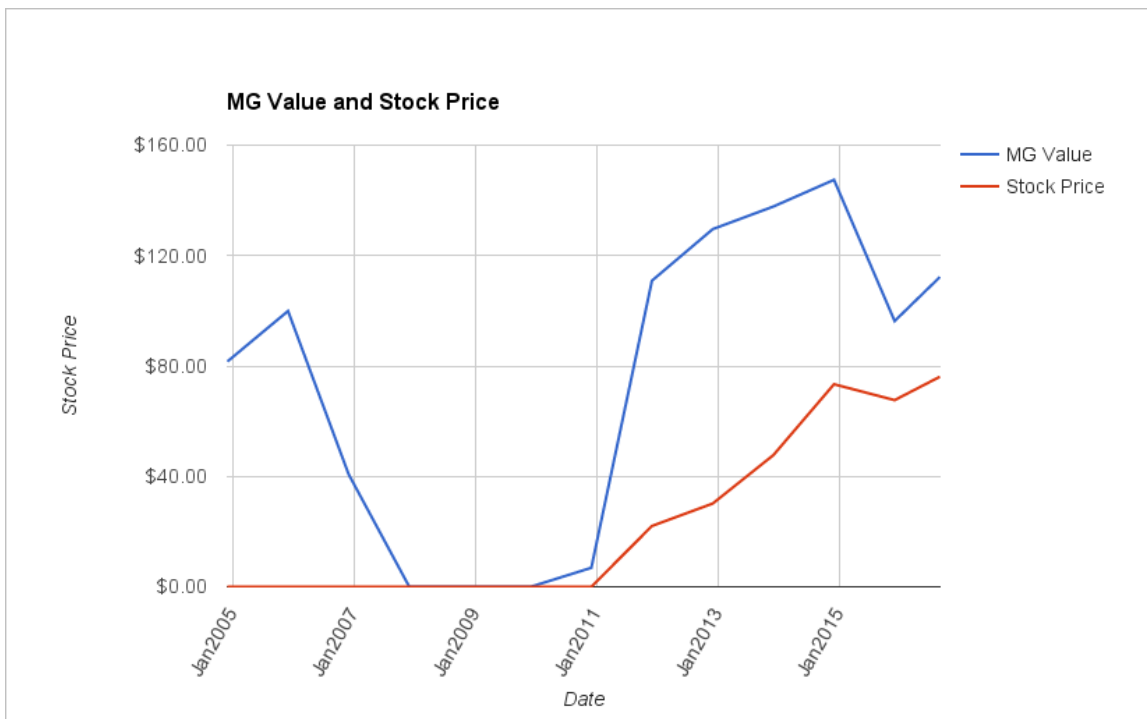
Current Price	\$76.12
% of Intrinsic Value	67.80%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$80.81
Graham Number	\$0.00
PEmg	15.36
Current Ratio	1.69
PB Ratio	-3.74
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.33	Next Fiscal Year Estimate	\$4.95
Dec2015	\$4.99	Dec2015	\$4.24
Dec2014	\$4.16	Dec2014	\$3.83
Dec2013	\$3.37	Dec2013	\$3.58
Dec2012	\$3.49	Dec2012	\$3.37
Dec2011	\$4.97	Dec2011	\$2.88
Dec2010	\$2.76	Dec2010	\$1.57
Dec2009	\$2.44	Dec2009	\$1.03
Dec2008	\$0.00	Dec2008	\$0.60
Dec2007	\$0.00	Dec2007	\$1.16
Dec2006	\$0.00	Dec2006	\$1.82
Dec2005	\$3.19	Dec2005	\$2.60
Dec2004	\$2.58	Dec2004	\$2.12
Dec2003	\$2.61	Dec2003	\$1.75
Dec2002	\$1.59	Dec2002	\$1.24
Dec2001	\$1.65	Dec2001	\$0.94
Dec2000	\$0.39	Dec2000	\$0.66
Dec1999	\$1.11	Balance Sheet Information 6/1/2016	
Dec1998	\$0.73	Total Current Assets	\$9,095,000,000
Dec1997	-\$0.46	Total Current Liabilities	\$5,396,000,000
Dec1996	\$2.22	Long-Term Debt	\$31,228,000,000
		Total Assets	\$33,205,000,000
		Intangible Assets	\$6,694,000,000
		Total Liabilities	\$41,312,000,000
		Shares Outstanding (Diluted Average)	398,659,000





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.

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[HCA Holdings Inc. Analysis – Initial Coverage \\$HCA](#)

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