ModernGraham Valuation

Company Name:

Company Ticker UHS Date of Analysis Universal Health Services, Inc.



Pass

8/25/2016

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	\$11,592,776,660 Pass
2. Sufficiently Strong Financial Condit	ion Current Ratio > 2	1.27 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	212.76% Pass
6. Moderate PEmg Ratio	PEmg < 20	19.17 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.75 Fail
Enterprising Investor; must pass 4 out of the following 5 tests,	, or be suitable for the Defensive Investor.	
1. Sufficiently Strong Financial Condit	ion Current Ratio > 1.5	1.27 Fail
2. Sufficiently Strong Financial Condit	ion Debt to NCA < 1.1	10.33 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	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

5. Earnings Growth

	EPSmg		\$6.27
	MG Growth Estimate		11.57%
	MG Value		\$198.32
	MG Value based on 3% Growth		\$90.88
	MG Value based on 0% Growth		\$53.27
	Market Implied Growth Rate		5.33%
MG Opinion			
	Current Price		\$120.12
	% of Intrinsic Value		60.57%
	Opinion	Undervalued	
	MG Grade	C-	

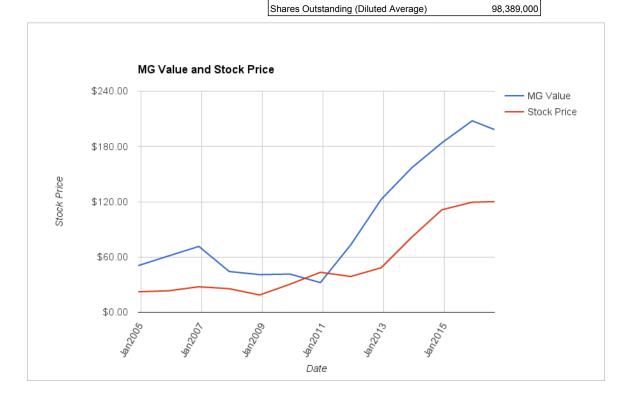
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$36.91
Graham Number	\$84.63
PEmg	19.17
Current Ratio	1.27
PB Ratio	2.75
Current Dividend	\$0.40
Dividend Yield	0.33%
Number of Consecutive Years of Dividend Growth	3

Useful Links:

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

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.18	Next Fiscal Year Estimate	\$6.27
Dec2015	\$6.76		\$5.60
Dec2014	\$5.42		\$4.78
Dec2013	\$5.14		\$4.22
Dec2013	\$4.53		\$3.54
Dec2012 Dec2011	\$4.03	-	
			\$2.87
Dec2010	\$2.34	Dec2010	\$2.24
Dec2009	\$2.64		\$2.16
Dec2008	\$1.96		\$1.89
Dec2007	\$1.59	Dec2007	\$1.83
Dec2006	\$2.28	Dec2006	\$1.87
Dec2005	\$2.00	Dec2005	\$1.59
Dec2004	\$1.38	Dec2004	\$1.32
Dec2003	\$1.60	Dec2003	\$1.20
Dec2002	\$1.37	Dec2002	\$0.94
Dec2001	\$0.80	Dec2001	\$0.70
Dec2000	\$0.75	Dec2000	\$0.63
Dec1999	\$0.61	Balance Sheet Information	6/1/2016
Dec1998	\$0.60	Total Current Assets	\$1,606,753,000
Dec1997	\$0.51	Total Current Liabilities	\$1,268,034,000
Dec1996	\$0.41	Long-Term Debt	\$3,499,375,000
		Total Assets	\$9,540,930,000
		Intangible Assets	\$3,585,892,000
		Total Liabilities	\$5,237,952,000





Disclaimer:

Other

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 Universal Health Services Inc. Analysis - Initial Coverage \$UHS posts about the company

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