

ModernGraham Valuation

Company Name:

Chemed Corporation

Company Ticker

CHE

Date of Analysis

12/14/2016



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	\$2,494,221,889	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.79	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	113.73%	Pass
6. Moderate PEmg Ratio	PEmg < 20	25.97	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.19	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	0.79	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-2.97	Fail
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		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.87
MG Growth Estimate	7.21%
MG Value	\$134.66
MG Value based on 3% Growth	\$85.18
MG Value based on 0% Growth	\$49.93
Market Implied Growth Rate	8.74%

MG Opinion

Current Price	\$152.59
% of Intrinsic Value	113.31%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$13.43
Graham Number	\$66.94
PEmg	25.97
Current Ratio	0.79
PB Ratio	5.19
Current Dividend	\$0.98
Dividend Yield	0.64%
Number of Consecutive Years of Dividend Growth	8

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		Next Fiscal Year Estimate	
Dec2015	\$6.33	Dec2015	\$5.32
Dec2014	\$5.57	Dec2014	\$4.67
Dec2013	\$4.16	Dec2013	\$4.13
Dec2012	\$4.62	Dec2012	\$3.97
Dec2011	\$4.10	Dec2011	\$3.52
Dec2010	\$3.55	Dec2010	\$3.09
Dec2009	\$3.24	Dec2009	\$2.70
Dec2008	\$2.88	Dec2008	\$2.28
Dec2007	\$2.55	Dec2007	\$1.77
Dec2006	\$1.90	Dec2006	\$1.19
Dec2005	\$1.36	Dec2005	\$0.66
Dec2004	\$1.12	Dec2004	\$0.28
Dec2003	-\$0.18	Dec2003	-\$0.02
Dec2002	-\$0.13	Dec2002	\$0.18
Dec2001	-\$0.63	Dec2001	\$0.48
Dec2000	\$1.01	Dec2000	\$1.09
Dec1999	\$0.93	Balance Sheet Information 9/1/2016	
Dec1998	\$0.99	Total Current Assets	\$132,959,000
Dec1997	\$1.51	Total Current Liabilities	\$167,457,000
Dec1996	\$1.63	Long-Term Debt	\$102,500,000
		Total Assets	\$842,476,000
		Intangible Assets	\$527,485,000
		Total Liabilities	\$355,274,000
		Shares Outstanding (Diluted Average)	16,559,000





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

#N/A

Other
ModernGraham
posts about related
companies

[Surgical Care Affiliates Inc Valuation – Initial Coverage \\$SCAI](#)
[Thermo Fisher Scientific Inc Valuation – December 2016 \\$TMO](#)
[Illumina Inc Valuation – Initial Coverage \\$ILMN](#)
[Thermo Fisher Scientific Inc Valuation – November 2016 \\$TMO](#)
[Waters Corporation Valuation – November 2016 \\$WAT](#)
[Align Technology Inc Valuation – August 2016 \\$ALGN](#)
[HCA Holdings Inc Valuation – August 2016 \\$HCA](#)
[Express Scripts Holding Co Valuation – August 2016 \\$ESRX](#)
[Universal Health Services Inc Valuation – August 2016 \\$UHS](#)
[Endo International PLC Valuation – August 2016 \\$ENDP](#)