

# ModernGraham Valuation

## Company Name:

Company Ticker SCAI

Date of Analysis

12/9/2016

Surgical Care  
Affiliates Inc



## 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	\$1,892,104,034	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.07	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	15866.67%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	43.88	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.46	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	1.07	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	46.84	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.04
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$40.09</b>
MG Value based on 3% Growth	\$15.10
MG Value based on 0% Growth	\$8.85
Market Implied Growth Rate	17.69%

### MG Opinion

Current Price	\$45.69
% of Intrinsic Value	113.96%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>F</b>

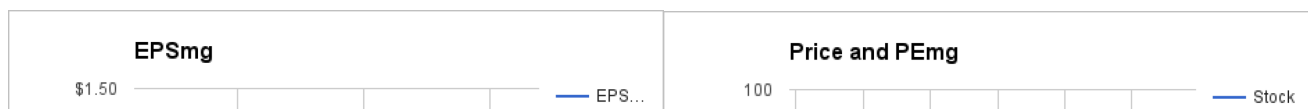
## Stage 3: Information for Further Research

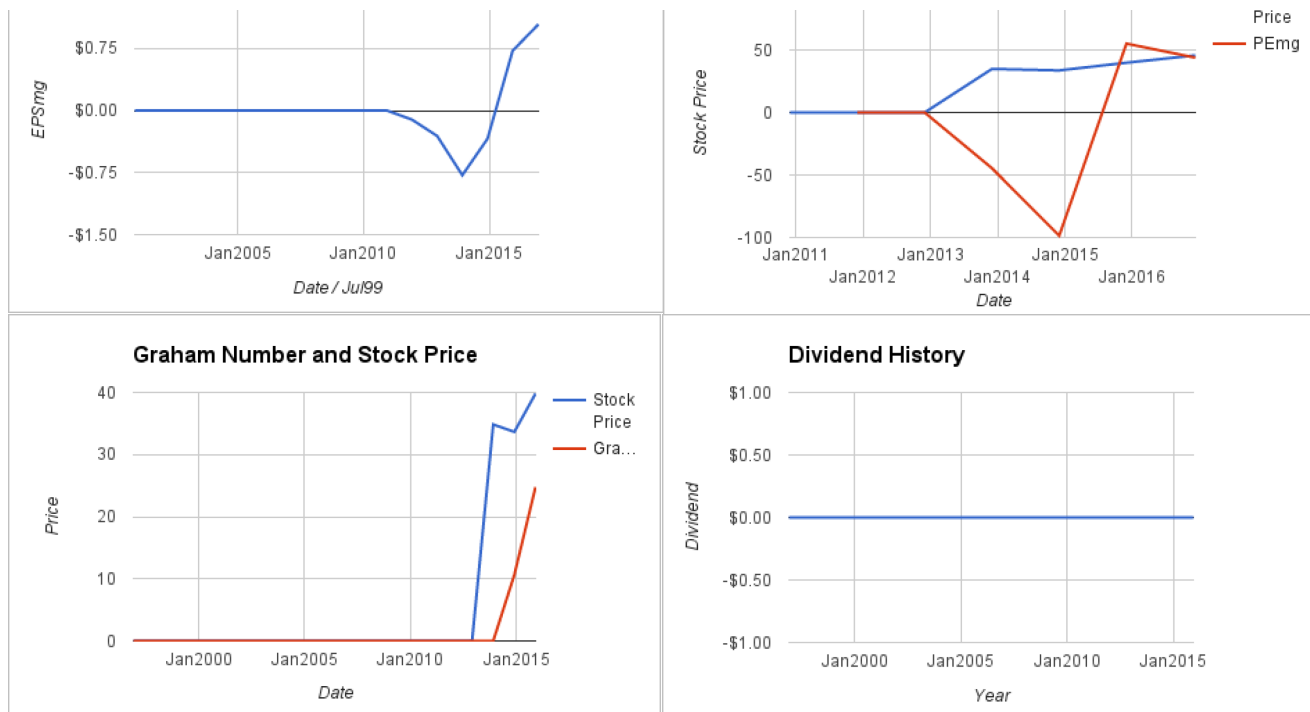
Net Current Asset Value (NCAV)	-\$41.35
Graham Number	\$16.52
PEmg	43.88
Current Ratio	1.07
PB Ratio	4.46
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$1.16		\$1.04
Dec2015	\$2.83	Dec2015	\$0.72
Dec2014	\$0.80	Dec2014	-\$0.34
Dec2013	-\$1.62	Dec2013	-\$0.78
Dec2012	-\$0.66	Dec2012	-\$0.31
Dec2011	-\$0.33	Dec2011	-\$0.11
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$0.00	Total Current Assets	\$302,708,000
Dec1997	\$0.00	Total Current Liabilities	\$282,757,000
Dec1996	\$0.00	Long-Term Debt	\$934,523,000
		Total Assets	\$2,426,988,000
		Intangible Assets	\$1,545,446,000
		Total Liabilities	\$2,005,106,000
		Shares Outstanding (Diluted Average)	41,174,000





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

[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](#)  
[C R Bard Inc Valuation – August 2016 \\$BCR](#)  
[Psychemedics Corp Valuation – August 2016 \\$PMD](#)