

ModernGraham Valuation

Company Name:

Company Ticker EVHC

Date of Analysis

3/5/2017

Envision Healthcare
Corporation



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	\$7,949,568,400	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.09	Pass
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	50.00%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	29.22	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.59	Pass

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	2.09	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.61	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.32
MG Growth Estimate	2.95%
MG Value	\$33.36
MG Value based on 3% Growth	\$33.60
MG Value based on 0% Growth	\$19.70
Market Implied Growth Rate	10.36%

MG Opinion

Current Price	\$67.71
% of Intrinsic Value	202.96%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$128.24
Graham Number	\$107.24
PEmg	29.22
Current Ratio	2.09
PB Ratio	0.59
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$4.48	Next Fiscal Year Estimate	\$2.32
Dec2016	-\$0.47	Dec2016	\$1.37
Dec2015	\$3.16	Dec2015	\$2.21
Dec2014	\$1.24	Dec2014	\$1.74
Dec2013	\$2.28	Dec2013	\$1.94
Dec2012	\$1.98	Dec2012	\$1.73
Dec2011	\$1.60	Dec2011	\$1.59
Dec2010	\$1.62	Dec2010	\$1.56
Dec2009	\$1.69	Dec2009	\$1.48
Dec2008	\$1.47	Dec2008	\$1.36
Dec2007	\$1.42	Dec2007	\$1.28
Dec2006	\$1.24	Dec2006	\$1.17
Dec2005	\$1.17	Dec2005	\$1.07
Dec2004	\$1.30	Dec2004	\$0.94
Dec2003	\$0.98	Dec2003	\$0.71
Dec2002	\$0.77	Dec2002	\$0.52
Dec2001	\$0.52	Dec2001	\$0.35
Dec2000	\$0.40	Balance Sheet Information 12/1/2016	
Dec1999	\$0.31	Total Current Assets	\$2,411,300,000
Dec1998	\$0.04	Total Current Liabilities	\$1,154,300,000
Dec1997	-\$0.01	Long-Term Debt	\$5,791,600,000
		Total Assets	\$16,708,900,000
		Intangible Assets	\$13,423,900,000
		Total Liabilities	\$9,977,800,000
		Shares Outstanding (Diluted Average)	59,002,000





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

[UnitedHealth Group Inc Valuation – February 2017 \\$UNH](#)
[Davita Inc Valuation – February 2017 \\$DVA](#)
[Steris PLC Valuation – Initial Coverage \\$STE](#)
[Danaher Corporation Valuation – February 2017 \\$DHR](#)
[Cryolife Inc Valuation – Initial Coverage \\$CRY](#)
[CorVel Corp Valuation – Initial Coverage \\$CRVL](#)
[Charles River Laboratories Intl Inc Valuation – Initial Coverage \\$CRL](#)
[Kindred Healthcare Inc Valuation – Initial Coverage \\$KND](#)
[SurModics Inc Valuation – Initial Coverage \\$SRDX](#)
[Agilent Technologies Inc Valuation – February 2017 \\$A](#)