

ModernGraham Valuation

Community Health
Systems



Company Name:

Company Ticker CYH

Date of Analysis

4/8/2017

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	\$1,007,026,170	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.62	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	-276.10%	Fail
5. Earnings Growth	PEmg < 20	-2.44	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.61	Fail
7. Moderate Price to Assets			

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	1.62	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.31	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$3.63
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$52.59
MG Value based on 0% Growth	-\$30.83
Market Implied Growth Rate	-5.47%

MG Opinion

Current Price	\$8.86
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

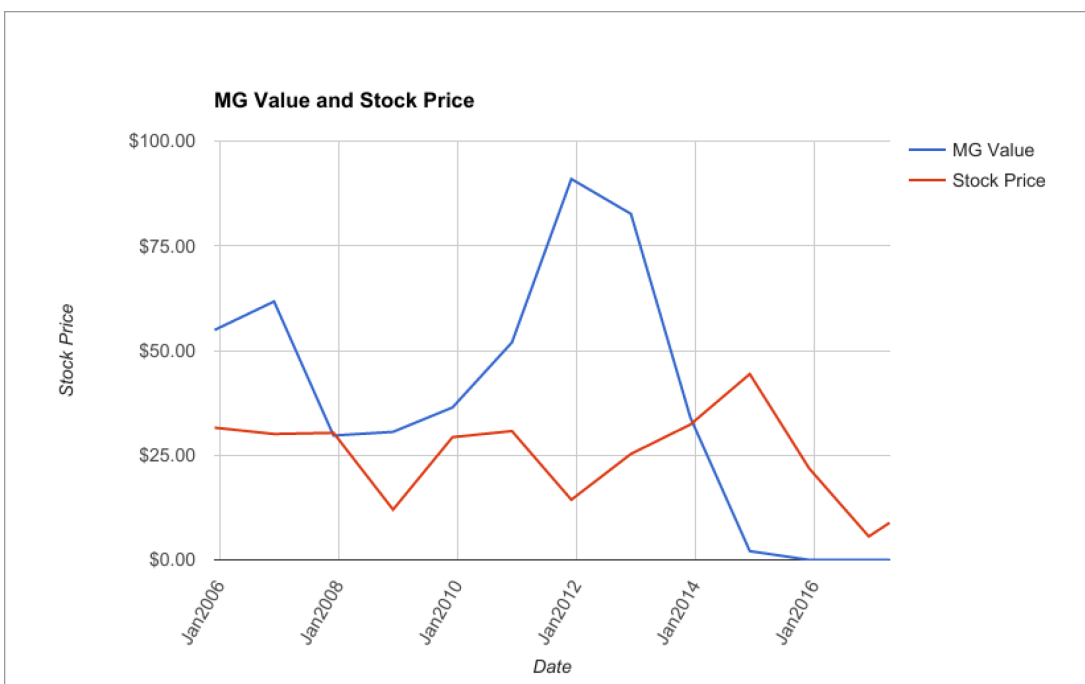
Net Current Asset Value (NCAV)	-\$141.45
Graham Number	\$5.65
PEmg	-2.44
Current Ratio	1.62
PB Ratio	0.61
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.10	Next Fiscal Year Estimate	-\$3.63
Dec2016	-\$15.54	Dec2016	-\$4.25
Dec2015	\$1.37	Dec2015	\$1.52
Dec2014	\$0.82	Dec2014	\$1.77
Dec2013	\$1.51	Dec2013	\$2.32
Dec2012	\$2.96	Dec2012	\$2.69
Dec2011	\$2.23	Dec2011	\$2.41
Dec2010	\$3.01	Dec2010	\$2.34
Dec2009	\$2.66	Dec2009	\$1.92
Dec2008	\$2.32	Dec2008	\$1.55
Dec2007	\$0.32	Dec2007	\$1.22
Dec2006	\$1.75	Dec2006	\$1.60
Dec2005	\$1.79	Dec2005	\$1.43
Dec2004	\$1.51	Dec2004	\$1.13
Dec2003	\$1.30	Dec2003	\$0.80
Dec2002	\$1.00	Dec2002	\$0.45
Dec2001	\$0.50	Dec2001	\$0.14
Dec2000	\$0.14	Balance Sheet Information 12/1/2016	
Dec1999	-\$0.31	Total Current Assets	\$4,666,000,000
Dec1998	\$0.00	Total Current Liabilities	\$2,887,000,000
Dec1997	\$0.00	Long-Term Debt	\$14,789,000,000
		Total Assets	\$21,944,000,000
		Intangible Assets	\$6,521,000,000
		Total Liabilities	\$20,329,000,000
		Shares Outstanding (Diluted Average)	110,731,000





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:

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ModernGraham
posts about the
company

#N/A

Other
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companies

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[C R Bard Inc Valuation – March 2017 \\$BCR](#)
[LHC Group Inc Valuation – Initial Coverage \\$LHCG](#)
[Dentsply Sirona Inc Valuation – March 2017 \\$XRAY](#)
[Landauer Inc Valuation – Initial Coverage \\$LDR](#)
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[Mettler-Toledo International Inc Valuation – Initial Coverage \\$MTD](#)
[Envision Healthcare Corp Valuation – Initial Coverage \\$EVHC](#)
[UnitedHealth Group Inc Valuation – February 2017 \\$UNH](#)