ModernGraham Valuation

Company Name:

Company Ticker PMD Date of Analysis

Psychemedics Corp.



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

4/9/2017

Defensive Investor; must pass 6 out of the following 7 tests.

1.	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$113,993,983	Fail
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	2.41	Pass
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	100.00%	Pass
6.	Moderate PEmg Ratio	PEmg < 20	22.37	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.19	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	2.41 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.35 Pass
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

Score

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

	EPSmg		\$0.92
	MG Growth Estimate		7.45%
	MG Value		\$21.44
	MG Value based on 3% Growth		\$13.28
	MG Value based on 0% Growth		\$7.79
	Market Implied Growth Rate		6.93%
MG Opinion			
	Current Price		\$20.49
	% of Intrinsic Value		95.59%
	Opinion	Fairly Valued	
	MG Grade	В-	

Stage 3: Information for Further Research

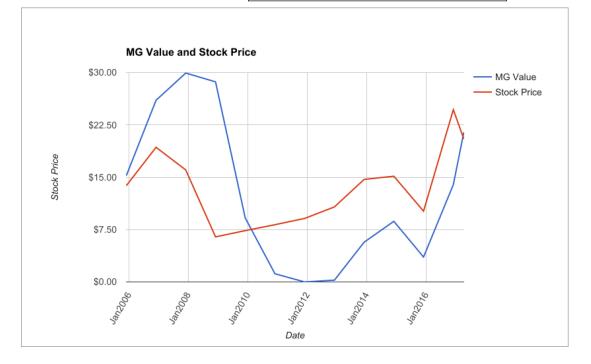
Net Current Asset Value (NCAV)	\$0.26
Graham Number	\$8.86
PEmg	22.37
Current Ratio	2.41
PB Ratio	7.19
Current Dividend	\$0.60
Dividend Yield	2.93%
Number of Consecutive Years of Dividend	_
Growth	0

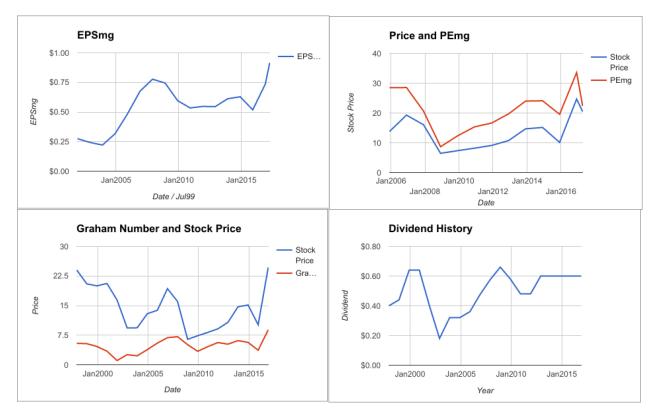
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ModernGraham tagged articles Google Finance Yahoo Finance <u>GuruFocus</u>

Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate		Next Fiscal Year Estimate	\$0.93
Dec2016	\$1.22	Dec2016	\$0.74
Dec2015	\$0.28	Dec2015	\$0.5
Dec2014	\$0.60	Dec2014	\$0.63
Dec2013	\$0.72	Dec2013	\$0.6
Dec2012	\$0.57	Dec2012	\$0.55
Dec2011	\$0.67	Dec2011	\$0.55
Dec2010	\$0.50	Dec2010	\$0.53
Dec2009	\$0.29	Dec2009	\$0.60
Dec2008	\$0.57	Dec2008	\$0.74
Dec2007	\$0.85	Dec2007	\$0.7
Dec2006	\$0.94	Dec2006	\$0.68
Dec2005	\$0.78	Dec2005	\$0.48
Dec2004	\$0.54	Dec2004	\$0.32
Dec2003	\$0.23	Dec2003	\$0.22
Dec2002	\$0.24	Dec2002	\$0.24
Dec2001	\$0.04	Dec2001	\$0.2
Dec2000	\$0.32	Balance Sheet Information	12/1/2016
Dec1999	\$0.44	Total Current Assets	\$10,854,000
Dec1998	\$0.44	Total Current Liabilities	\$4,495,000
Dec1997	\$0.44	Long-Term Debt	\$2,237,000
		Total Assets	\$25,032,000
		Intangible Assets	\$0
		Total Liabilities	\$9,425,000
		Shares Outstanding (Diluted Average)	5,475,000





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	Psychemedics Corp Stock Valuation – February 2016 \$PMD Psychemedics Corporation Valuation – November 2015 Update \$PMD Psychemedics Corporation Analysis – August 2015 Update \$PMD 21 Companies in the Spotlight This Week – 5/9/15 Psychemedics Corporation Quarterly Valuation – May 2015 \$PMD
Other	Luminex Corp Valuation – Initial Coverage \$LMNX
ModernGraham	C R Bard Inc Valuation – March 2017 \$BCR
posts about related	LHC Group Inc Valuation – Initial Coverage \$LHCG
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 Hologic Inc Valuation – Initial Coverage \$HOLX

 Mettler-Toledo International Inc Valuation – Initial Coverage \$EVHC

 UnitedHealth Group Inc Valuation – February 2017 \$UNH