

# ModernGraham Valuation

Company Name:

Psychemedics Corp.

Company Ticker PMD

Date of Analysis

4/9/2017



## 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	\$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
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	100.00%	Pass
5. Earnings Growth	PEmg < 20	22.37	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	7.19	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	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.92
MG Growth Estimate	7.45%
<b>MG Value</b>	<b>\$21.44</b>
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%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>B-</b>

## 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

### 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	
Dec2016	\$1.22	Dec2016	\$0.92
Dec2015	\$1.22	Dec2015	\$0.74
Dec2014	\$0.28	Dec2014	\$0.52
Dec2013	\$0.60	Dec2013	\$0.63
Dec2012	\$0.72	Dec2012	\$0.61
Dec2011	\$0.57	Dec2011	\$0.55
Dec2010	\$0.67	Dec2010	\$0.55
Dec2009	\$0.50	Dec2009	\$0.53
Dec2008	\$0.29	Dec2008	\$0.60
Dec2007	\$0.57	Dec2007	\$0.74
Dec2006	\$0.85	Dec2006	\$0.78
Dec2005	\$0.94	Dec2005	\$0.68
Dec2004	\$0.78	Dec2004	\$0.48
Dec2003	\$0.54	Dec2003	\$0.32
Dec2002	\$0.23	Dec2002	\$0.22
Dec2001	\$0.24	Dec2001	\$0.24
Dec2000	\$0.04	Dec2000	\$0.27
Dec1999	\$0.32	<b>Balance Sheet Information</b>	
Dec1998	\$0.44	<b>12/1/2016</b>	
Dec1997	\$0.44	Total Current Assets	\$10,854,000
		Total Current Liabilities	\$4,495,000
		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  
ModernGraham  
posts about related  
companies

- [Luminex Corp Valuation – Initial Coverage \\$LMNX](#)
- [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](#)
- [IDEXX Laboratories Inc Valuation – Initial Coverage \\$IDXX](#)
- [Hologic Inc Valuation – Initial Coverage \\$HOLX](#)
- [Mettler-Toledo International Inc Valuation – Initial Coverage \\$MTD](#)
- [Envision Healthcare Corp Valuation – Initial Coverage \\$EVHC](#)
- [UnitedHealth Group Inc Valuation – February 2017 \\$UNH](#)