

ModernGraham Valuation

Company Name:

VCA Inc

Company Ticker WOOF

Date of Analysis

9/7/2017



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	\$7,555,648,757	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.01	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	86.67%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	37.16	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.76	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	1.01	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	315.42	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
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	\$2.50
MG Growth Estimate	15.00%
MG Value	\$96.33
MG Value based on 3% Growth	\$36.28
MG Value based on 0% Growth	\$21.27
Market Implied Growth Rate	14.33%

MG Opinion

Current Price	\$92.97
% of Intrinsic Value	96.51%
Opinion	Fairly Valued
MG Grade	D+

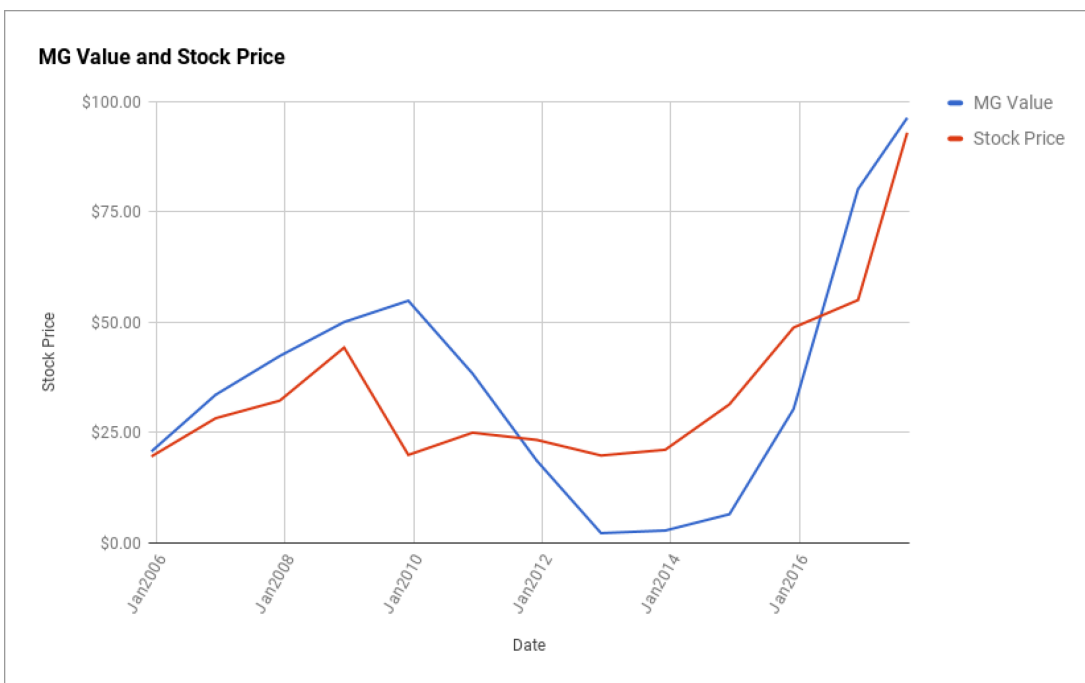
Stage 3: Information for Further Research

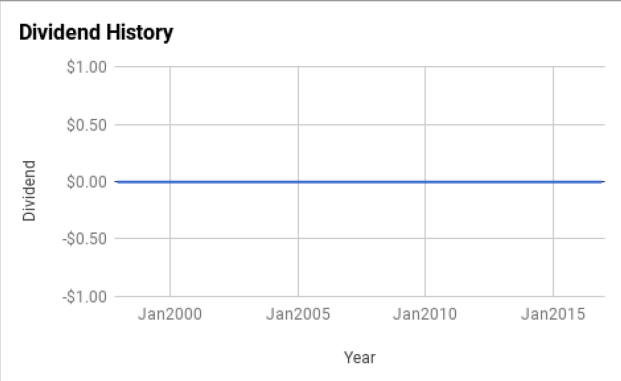
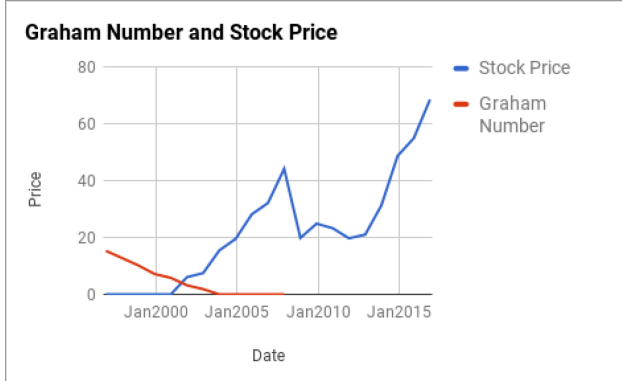
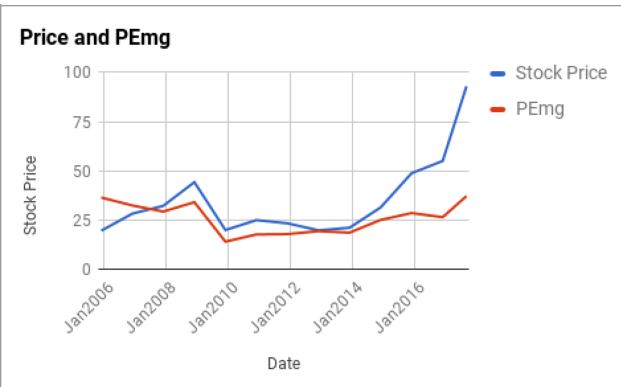
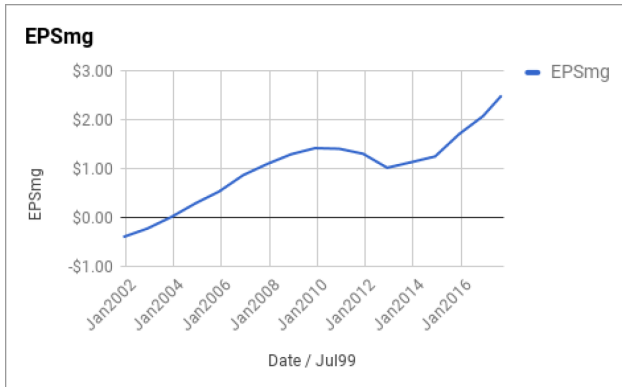
Net Current Asset Value (NCAV)	-\$19.77
Graham Number	\$34.97
PEmg	37.16
Current Ratio	1.01
PB Ratio	4.76
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$3.00	Next Fiscal Year Estimate	\$2.50
Dec2016	\$2.56	Dec2016	\$2.08
Dec2015	\$2.56	Dec2015	\$1.71
Dec2014	\$1.54	Dec2014	\$1.25
Dec2013	\$1.53	Dec2013	\$1.14
Dec2012	\$0.51	Dec2012	\$1.02
Dec2011	\$1.09	Dec2011	\$1.31
Dec2010	\$1.27	Dec2010	\$1.41
Dec2009	\$1.53	Dec2009	\$1.42
Dec2008	\$1.55	Dec2008	\$1.30
Dec2007	\$1.41	Dec2007	\$1.10
Dec2006	\$1.24	Dec2006	\$0.87
Dec2005	\$0.81	Dec2005	\$0.54
Dec2004	\$0.76	Dec2004	\$0.29
Dec2003	\$0.53	Dec2003	\$0.01
Dec2002	\$0.28	Dec2002	-\$0.23
Dec2001	-\$1.19	Dec2001	-\$0.40
Dec2000	-\$0.03	Balance Sheet Information	6/1/2017
Dec1999	\$0.04	Total Current Assets	\$304,637,000
Dec1998	\$0.00	Total Current Liabilities	\$300,435,000
Dec1997	\$0.00	Long-Term Debt	\$1,325,411,000
		Total Assets	\$3,537,725,000
		Intangible Assets	\$2,471,423,000
		Total Liabilities	\$1,930,538,000
		Shares Outstanding (Diluted Average)	82,228,000





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
- [Universal Health Services Inc Valuation – August 2017 \\$UHS](#)
 - [Teleflex Inc Valuation – Initial Coverage \\$TFX](#)
 - [BIO-TECHNE Corp Valuation – Initial Coverage \\$TECH](#)
 - [LifePoint Health Inc Valuation – Initial Coverage \\$LPNT](#)
 - [Psychemedics Corp Valuation – April 2017 \\$PMD](#)
 - [Community Health Systems Valuation – Initial Coverage \\$CYH](#)
 - [Patterson Companies Inc Valuation – April 2017 \\$PDCO](#)
 - [Luminex Corp Valuation – Initial Coverage \\$LMNX](#)
 - [C R Bard Inc Valuation – March 2017 \\$BCR](#)
 - [LHC Group Inc Valuation – Initial Coverage \\$LHCG](#)