# **ModernGraham Valuation**

## **Company Name:**

Company Ticker ESRX Date of Analysis

**Express Scripts** Holding Company



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

4/11/2018

Defensive Investor; n	nust pass 6 out of the following 7 tests.		
	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$39,206,101,300 Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.67 Fail
	3. Earnings Stability	Positive EPS for 10 years prior	Pass
	4. Dividend Record	Dividend Payments for 10 years prior	Fail
	5 Foreigns Counth	Increase of 33% in EPS in past 10 years using 3 year averages at	054 400/ D
	5. Earnings Growth	beginning and end	251.12% Pass
	6. Moderate PEmg Ratio	PEmg < 20	10.34 Pass
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.19 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	0.67 Fail
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-2.54 Fail
	<ol><li>Earnings Stability</li></ol>	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	
	Defensive Enterprising	No No	
Stage 2: Dete	Enterprising		
Stage 2: Dete	Enterprising rmination of Intrinsic Value	No	
Stage 2: Dete	Enterprising rmination of Intrinsic Value	No \$6.74	
Stage 2: Dete	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate	No \$6.74 15.00%	
Stage 2: Dete	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value	No \$6.74 15.00% <b>\$259.59</b>	
Stage 2: Dete	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth	No \$6.74 15.00% <b>\$259.59</b> \$97.77	
Stage 2: Dete	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth	No \$6.74 15.00% \$259.59 \$97.77 \$57.31	
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-	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth	No \$6.74 15.00% \$259.59 \$97.77 \$57.31	
-	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate	No \$6.74 15.00% \$259.59 \$97.77 \$57.31 0.92%	
-	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price	No \$6.74 15.00% \$259.59 \$97.77 \$57.31 0.92% \$69.72	
-	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value	No \$6.74 15.00% \$259.59 \$97.77 \$57.31 0.92% \$69.72 26.86%	
-	Enterprising  rmination of Intrinsic Value  EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate  Current Price % of Intrinsic Value Opinion	No \$6.74 15.00% \$259.59 \$97.77 \$57.31 0.92% \$69.72 26.86% Undervalued	
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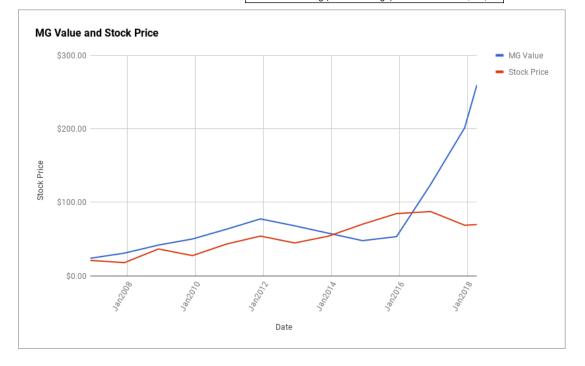
Graham Number	\$79.82
PEmg	10.34
Current Ratio	0.67
PB Ratio	2.19
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

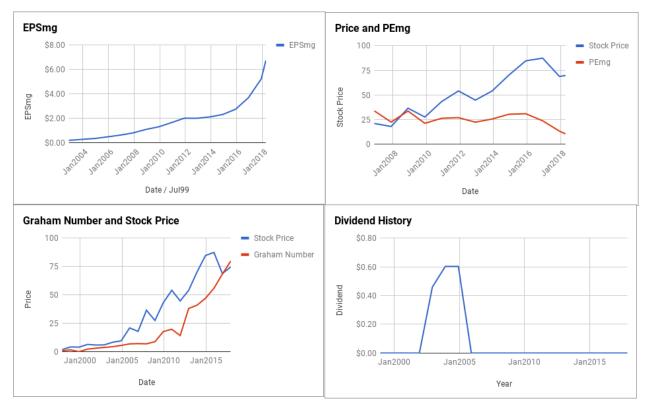
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ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus

Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$8.85	Next Fiscal Year Estimate	\$6.74
Dec2017	\$7.74	Dec2017	\$5.23
Dec2016	\$5.39	Dec2016	\$3.69
Dec2015	\$3.56	Dec2015	\$2.74
Dec2014	\$2.64	Dec2014	\$2.3
Dec2013	\$2.25	Dec2013	\$2.12
Dec2012	\$1.76	Dec2012	\$2.01
Dec2011	\$2.53	Dec2011	\$2.01
Dec2010	\$2.17	Dec2010	\$1.65
Dec2009	\$1.56	Dec2009	\$1.30
Dec2008	\$1.54	Dec2008	\$1.0
Dec2007	\$1.08	Dec2007	\$0.80
Dec2006	\$0.84	Dec2006	\$0.62
Dec2005	\$0.67	Dec2005	\$0.4
Dec2004	\$0.45	Dec2004	\$0.34
Dec2003	\$0.40	Dec2003	\$0.2
Dec2002	\$0.32	Dec2002	\$0.19
Dec2001	\$0.20	Balance Sheet Information	12/1/2017
Dec2000	-\$0.02	Total Current Assets	\$11,957,100,000
Dec1999	\$0.25	Total Current Liabilities	\$17,846,400,000
Dec1998	\$0.08	Long-Term Debt	\$14,981,500,000
		Total Assets	\$54,255,800,000
		Intangible Assets	\$40,725,600,000
		Total Liabilities	\$36,136,200,000
		Shares Outstanding (Diluted Average)	568,400,000





#### 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
 Express Scripts Inc. Analysis – 2015 Update \$ESRX

 ModernGraham posts about the company
 19 Companies in the Spotlight This Week – 7/26/14

 Express Scripts Holding Company Annual Valuation – 2014 \$ESRX

 Other
 Stryker Corp Valuation – April 2018 \$SYK

 ModernGraham
 Cerner Corporation Valuation – April 2018 \$CERN

 posts about related
 Quest Diagnostics Inc Valuation – April 2018 \$DGX

 Laboratory Corporation of America Holdings Valuation – March 2018 \$LH

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 PerkinElmer Inc Valuation – March 2018 \$CAH

 Varian Medical Systems Inc Valuation – March 2018 \$CAH

 Varian Medical Systems Inc Valuation – March 2018 \$ZBH

 Henry Schein Inc Valuation – March 2018 \$HSIC