

ModernGraham Valuation

Company Name:

HCA Healthcare Inc

Company Ticker HCA

Date of Analysis

4/12/2018



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	\$34,034,784,754	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.62	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	95.38%	Pass
5. Earnings Growth	PEmg < 20	15.60	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	-5.17	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	8.60	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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$6.20
MG Growth Estimate	9.27%
MG Value	\$167.49
MG Value based on 3% Growth	\$89.84
MG Value based on 0% Growth	\$52.67
Market Implied Growth Rate	3.55%

MG Opinion

Current Price	\$96.63
% of Intrinsic Value	57.69%
Opinion	Undervalued
MG Grade	C-

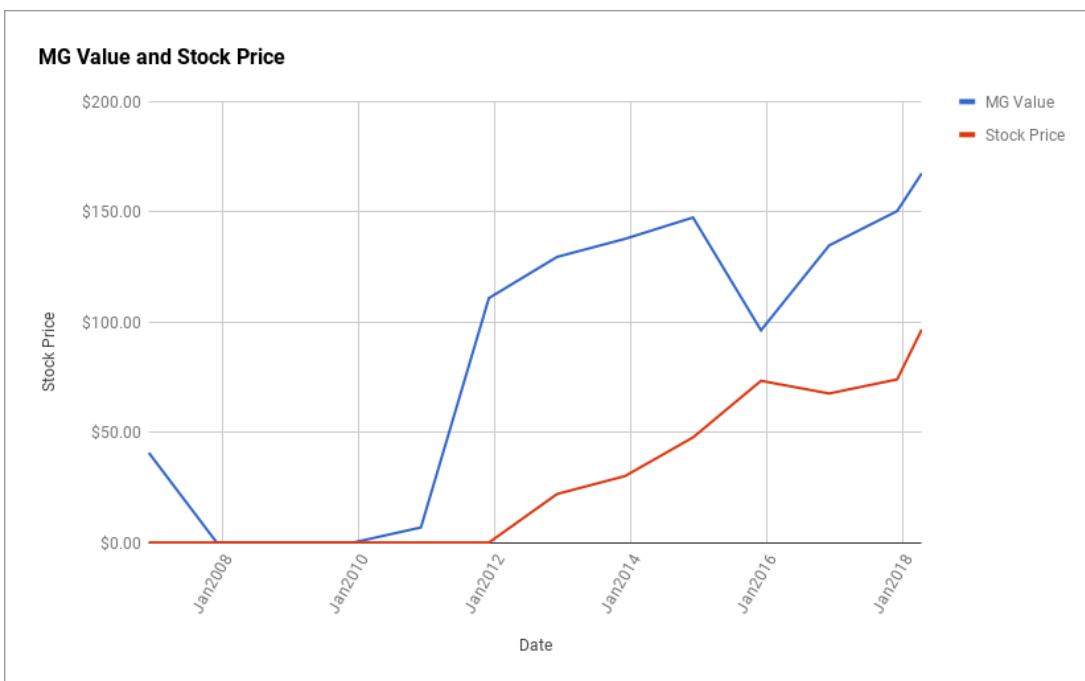
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$91.86
Graham Number	\$0.00
PEmg	15.60
Current Ratio	1.62
PB Ratio	-5.17
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		Next Fiscal Year Estimate	
Dec2017	\$6.62	Dec2017	\$6.20
Dec2016	\$5.95	Dec2016	\$5.71
Dec2015	\$7.30	Dec2015	\$5.28
Dec2014	\$4.99	Dec2014	\$4.24
Dec2013	\$4.16	Dec2013	\$3.83
Dec2012	\$3.37	Dec2012	\$3.58
Dec2011	\$3.49	Dec2011	\$3.37
Dec2010	\$4.97	Dec2010	\$2.88
Dec2009	\$2.76	Dec2009	\$1.57
Dec2008	\$2.44	Dec2008	\$1.03
Dec2007	\$0.00	Dec2007	\$0.60
Dec2006	\$0.00	Dec2006	\$1.16
Dec2005	\$0.00	Dec2005	\$1.82
Dec2004	\$3.19	Dec2004	\$2.60
Dec2003	\$2.58	Dec2003	\$2.12
Dec2002	\$2.61	Dec2002	\$1.75
Dec2001	\$1.59	Dec2001	\$1.24
Dec2000	\$1.65	Balance Sheet Information	
Dec1999	\$0.39	12/1/2017	
Dec1998	\$0.73	Total Current Assets	
		\$9,977,000,000	
		Total Current Liabilities	
		\$6,158,000,000	
		Long-Term Debt	
		\$32,858,000,000	
		Total Assets	
		\$36,593,000,000	
		Intangible Assets	
		\$7,394,000,000	
		Total Liabilities	
		\$43,399,000,000	
		Shares Outstanding (Diluted Average)	
		363,845,000	





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 [HCA Holdings Inc. Analysis – Initial Coverage \\$HCA](#)

Other ModernGraham posts about related companies

- [Stryker Corp Valuation – April 2018 \\$SYK](#)
- [Cerner Corporation Valuation – April 2018 \\$CERN](#)
- [Quest Diagnostics Inc Valuation – April 2018 \\$DGX](#)
- [Laboratory Corporation of America Holdings Valuation – March 2018 \\$LH](#)
- [Intuitive Surgical Inc valuation – March 2018 \\$ISRG](#)
- [PerkinElmer Inc Valuation – March 2018 \\$PKI](#)
- [Cardinal Health Inc Valuation – March 2018 \\$CAH](#)
- [Varian Medical Systems Inc Valuation – March 2018 \\$VAR](#)
- [Zimmer Biomet Holdings Inc Valuation – March 2018 \\$ZBH](#)
- [Henry Schein Inc Valuation – March 2018 \\$HSIC](#)