

ModernGraham Valuation

Company Name:

Davita Inc

Company Ticker DVA

Date of Analysis

6/1/2018



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	\$11,707,204,361	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.94	Pass
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	80.25%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	19.29	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.55	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	2.94	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.62	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.48
MG Growth Estimate	2.95%
MG Value	\$50.11
MG Value based on 3% Growth	\$50.44
MG Value based on 0% Growth	\$29.57
Market Implied Growth Rate	5.39%

MG Opinion

Current Price	\$67.09
% of Intrinsic Value	133.90%
Opinion	Overvalued
MG Grade	C+

Stage 3: Information for Further Research

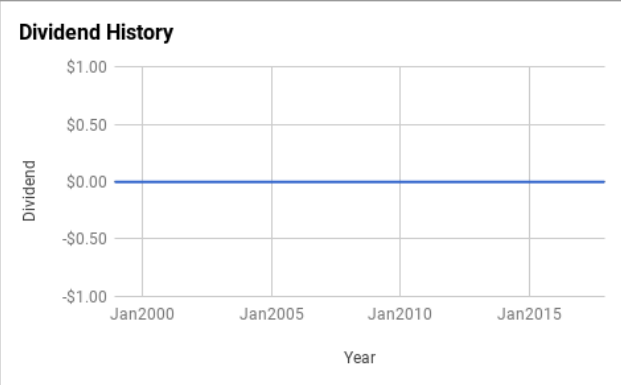
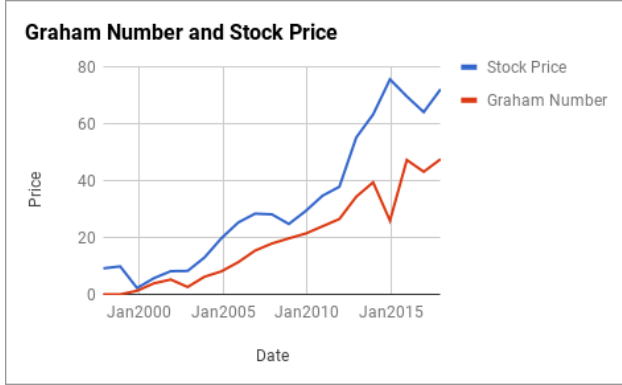
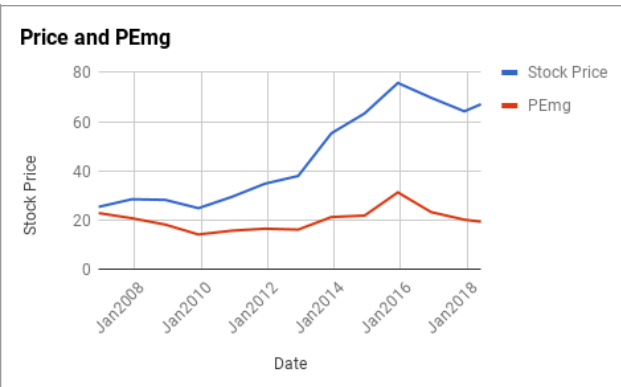
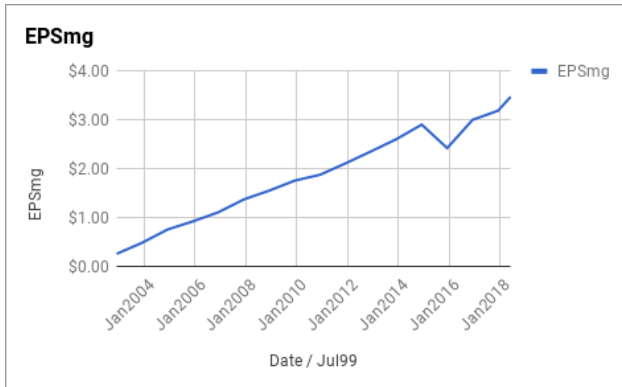
Net Current Asset Value (NCAV)	-\$30.17
Graham Number	\$47.61
PEmg	19.29
Current Ratio	2.94
PB Ratio	2.55
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$3.92	Next Fiscal Year Estimate	\$3.48
Dec2017	\$3.47	Dec2017	\$3.19
Dec2016	\$4.29	Dec2016	\$3.01
Dec2015	\$1.25	Dec2015	\$2.43
Dec2014	\$3.33	Dec2014	\$2.91
Dec2013	\$2.95	Dec2013	\$2.61
Dec2012	\$2.74	Dec2012	\$2.36
Dec2011	\$2.48	Dec2011	\$2.11
Dec2010	\$1.97	Dec2010	\$1.88
Dec2009	\$2.03	Dec2009	\$1.76
Dec2008	\$1.77	Dec2008	\$1.55
Dec2007	\$1.78	Dec2007	\$1.37
Dec2006	\$1.37	Dec2006	\$1.11
Dec2005	\$1.10	Dec2005	\$0.92
Dec2004	\$1.08	Dec2004	\$0.76
Dec2003	\$0.78	Dec2003	\$0.48
Dec2002	\$0.61	Dec2002	\$0.26
Dec2001	\$0.48	Balance Sheet Information 3/1/2018	
Dec2000	\$0.05	Total Current Assets	\$8,673,555,000
Dec1999	-\$0.60	Total Current Liabilities	\$2,947,523,000
Dec1998	-\$0.04	Long-Term Debt	\$9,279,885,000
		Total Assets	\$18,942,372,000
		Intangible Assets	\$6,751,958,000
		Total Liabilities	\$14,160,291,000
		Shares Outstanding (Diluted Average)	181,835,000





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**
- [Davita Inc Valuation – February 2017 \\$DVA](#)
 - [DaVita HealthCare Partners Inc Valuation – November 2015 Update \\$DVA](#)
 - [30 Companies in the Spotlight This Week – 11/15/14](#)
 - [DaVita Healthcare Partners Inc. Annual Valuation – 2014 \\$DVA](#)

- Other ModernGraham posts about related companies**
- [Danaher Corp Valuation – May 2018 \\$DHR](#)
 - [Agilent Technologies Inc Valuation – May 2018 \\$A](#)
 - [Cooper Companies Inc Valuation – May 2018 \\$COO](#)
 - [Edwards Lifesciences Corp Valuation – May 2018 \\$EW](#)
 - [Baxter International Inc Valuation – May 2018 \\$BAX](#)
 - [Boston Scientific Corp Valuation – May 2018 \\$BSX](#)
 - [Centene Corp Valuation – May 2018 \\$CNC](#)
 - [Abbott Laboratories Valuation – May 2018 \\$ABT](#)
 - [Becton Dickinson and Co Valuation – May 2018 \\$BDX](#)
 - [IQVIA Holdings Inc Valuation – Initial Coverage May 2018 \\$IQV](#)