

ModernGraham Valuation

Company Name:

Company Ticker EVHC

Date of Analysis

6/5/2018

Envision Healthcare
Corporation



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 | \$5,160,068,300 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 2.27 | Pass |
| 3. Earnings Stability | Positive EPS for 10 years prior | | Fail |
| 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 | -78.62% | Fail |
| 5. Earnings Growth | PEmg < 20 | 41.26 | Fail |
| 6. Moderate PEmg Ratio | PB Ratio < 2.5 OR PB*PEmg < 50 | 0.75 | Pass |
| 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 | 2.27 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 3.26 | Fail |
| 3. Earnings Stability | Positive EPS for 5 years prior | | Fail |
| 4. Dividend Record | Currently Pays Dividend | | Fail |
| 5. Earnings Growth | EPSmg greater than 5 years ago Score | | Fail |

Suitability

| | |
|---------------------|-----------|
| Defensive | No |
| Enterprising | No |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|---------------|
| EPSmg | \$1.05 |
| MG Growth Estimate | -4.25% |
| MG Value | \$0.00 |
| MG Value based on 3% Growth | \$15.19 |
| MG Value based on 0% Growth | \$8.90 |
| Market Implied Growth Rate | 16.38% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$43.21 |
| % of Intrinsic Value | N/A |
| Opinion | Overvalued |
| MG Grade | C- |

Stage 3: Information for Further Research

| | |
|--|----------|
| Net Current Asset Value (NCAV) | -\$38.91 |
| Graham Number | \$64.98 |
| PEmg | 41.26 |
| Current Ratio | 2.27 |
| PB Ratio | 0.75 |
| Current Dividend | \$0.00 |
| Dividend Yield | 0.00% |
| Number of Consecutive Years of Dividend Growth | 0 |

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| EPS History | | EPSmg History | |
|---------------------------|---------|---|------------------|
| Next Fiscal Year Estimate | \$3.48 | Next Fiscal Year Estimate | \$1.05 |
| Dec2017 | -\$1.96 | Dec2017 | \$0.17 |
| Dec2016 | -\$0.47 | Dec2016 | \$1.37 |
| Dec2015 | \$3.16 | Dec2015 | \$2.21 |
| Dec2014 | \$1.24 | Dec2014 | \$1.74 |
| Dec2013 | \$2.28 | Dec2013 | \$1.94 |
| Dec2012 | \$1.98 | Dec2012 | \$1.73 |
| Dec2011 | \$1.60 | Dec2011 | \$1.59 |
| Dec2010 | \$1.62 | Dec2010 | \$1.56 |
| Dec2009 | \$1.69 | Dec2009 | \$1.48 |
| Dec2008 | \$1.47 | Dec2008 | \$1.36 |
| Dec2007 | \$1.42 | Dec2007 | \$1.28 |
| Dec2006 | \$1.24 | Dec2006 | \$1.17 |
| Dec2005 | \$1.17 | Dec2005 | \$1.07 |
| Dec2004 | \$1.30 | Dec2004 | \$0.94 |
| Dec2003 | \$0.98 | Dec2003 | \$0.71 |
| Dec2002 | \$0.77 | Dec2002 | \$0.52 |
| Dec2001 | \$0.52 | Balance Sheet Information 3/1/2018 | |
| Dec2000 | \$0.40 | Total Current Assets | \$2,534,000,000 |
| Dec1999 | \$0.31 | Total Current Liabilities | \$1,118,300,000 |
| Dec1998 | \$0.04 | Long-Term Debt | \$4,608,500,000 |
| | | Total Assets | \$14,384,500,000 |
| | | Intangible Assets | \$11,228,400,000 |
| | | Total Liabilities | \$7,295,000,000 |
| | | Shares Outstanding (Diluted Average) | 122,354,000 |





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

[Envision Healthcare Corp Valuation – Initial Coverage \\$EVHC](#)

Other
ModernGraham
posts about related
companies

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[DanaHER Corp Valuation – May 2018 \\$DHR](#)
[Agilent Technologies Inc Valuation – May 2018 \\$A](#)
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