ModernGraham Valuation

Company Name:

Envision Healthcare Corporation



Company Ticker

Date of Analysis 6/5/2018

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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$5,160,068,300 Pas	SS
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.27 Pas	SS
3. Earnings Stability	Positive EPS for 10 years prior	Fail	I
Dividend Record	Dividend Payments for 10 years prior	Fail	I
	Increase of 33% in EPS in past 10 years using 3 year averages at		
5. Earnings Growth	beginning and end	-78.62% Fail	1
Moderate PEmg Ratio	PEmg < 20	41.26 Fail	I
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.75 Pas	SS

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

 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	Fail
	Score	

Score

Suitability

Defensive No Nο Enterprising

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

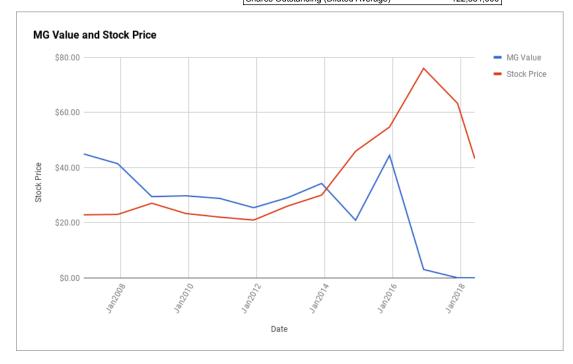
-\$38.91
\$64.98
41.26
2.27
0.75
\$0.00
0.00%
0

Morningstar

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EPS History		EPSmg History	
Next Fiscal Year			ا ـ ـ ـ ـ ـ
Estimate	• • •	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

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

DaVita Inc Valuation - June 2018 \$DVA