

ModernGraham Valuation

Company Name:

Company Ticker THC

Date of Analysis

6/30/2018

Tenet Healthcare Corp



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	\$3,396,149,135	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.24	Fail
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	-179.25%	Fail
5. Earnings Growth	PEmg < 20	-15.77	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.35	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	1.24	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	13.26	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	-\$2.13
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$30.88
MG Value based on 0% Growth	-\$18.10
Market Implied Growth Rate	-12.13%

MG Opinion

Current Price	\$33.57
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$146.04
Graham Number	\$0.00
PEmg	-15.77
Current Ratio	1.24
PB Ratio	1.35
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	\$0.91	Next Fiscal Year Estimate	-\$2.13
Dec2017	-\$7.00	Dec2017	-\$3.20
Dec2016	-\$1.93	Dec2016	-\$1.08
Dec2015	-\$1.41	Dec2015	-\$0.50
Dec2014	\$0.12	Dec2014	\$0.56
Dec2013	-\$1.32	Dec2013	\$1.19
Dec2012	\$1.30	Dec2012	\$2.40
Dec2011	\$0.48	Dec2011	\$2.61
Dec2010	\$8.16	Dec2010	\$2.60
Dec2009	\$1.48	Dec2009	-\$0.93
Dec2008	\$0.20	Dec2008	-\$3.93
Dec2007	-\$0.76	Dec2007	-\$7.16
Dec2006	-\$6.84	Dec2006	-\$9.60
Dec2005	-\$6.16	Dec2005	-\$9.21
Dec2004	-\$24.08	Dec2004	-\$8.47
Dec2003	-\$9.60	Dec2003	\$0.00
May2002	\$6.24	May2002	\$4.49
May2001	\$5.25	Balance Sheet Information 3/1/2018	
May2000	\$2.56	Total Current Assets	\$5,634,000,000
May1999	\$2.11	Total Current Liabilities	\$4,561,000,000
May1998	\$3.24	Long-Term Debt	\$14,223,000,000
		Total Assets	\$23,184,000,000
		Intangible Assets	\$8,828,000,000
		Total Liabilities	\$20,626,000,000
		Shares Outstanding (Diluted Average)	102,656,000





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.

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