

ModernGraham Valuation

Company Name:

Chemed Corporation

Company Ticker CHE

Date of Analysis

7/25/2018



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	\$5,251,761,483	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.91	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	115.06%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	41.28	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	10.68	Fail

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	0.91	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-8.39	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$7.77
MG Growth Estimate	9.93%
MG Value	\$220.29
MG Value based on 3% Growth	\$112.63
MG Value based on 0% Growth	\$66.02
Market Implied Growth Rate	16.39%

MG Opinion

Current Price	\$320.61
% of Intrinsic Value	145.54%
Opinion	Overvalued
MG Grade	F

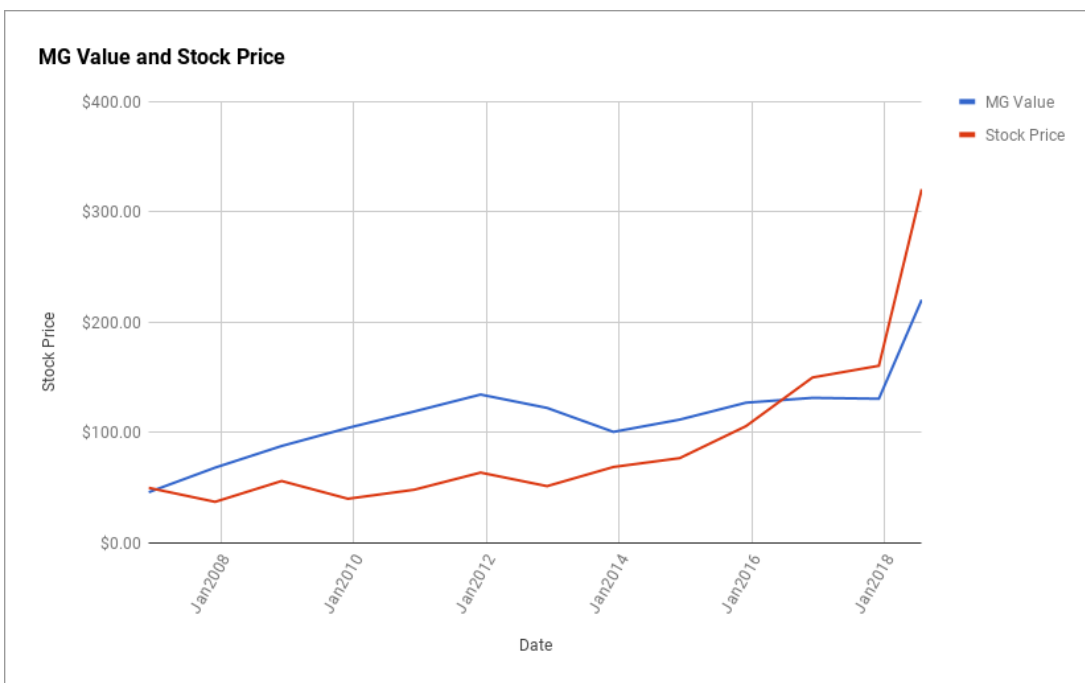
Stage 3: Information for Further Research

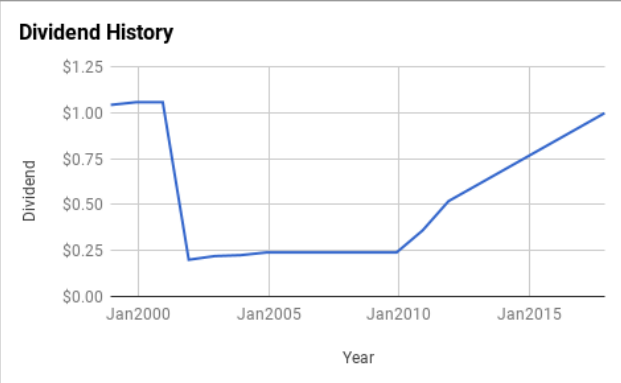
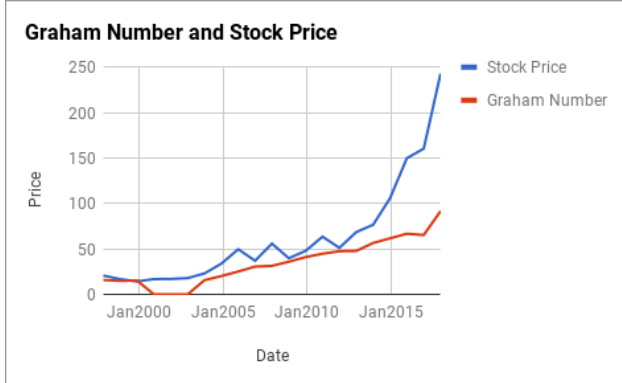
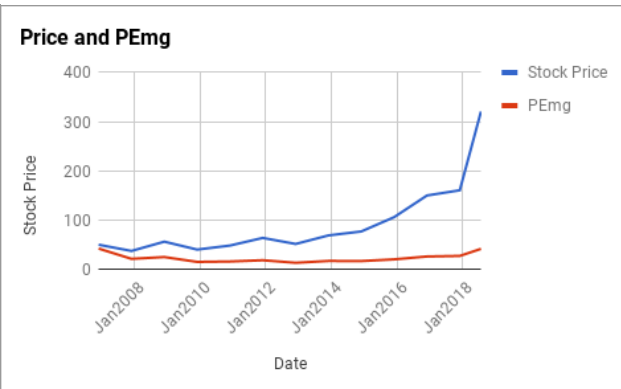
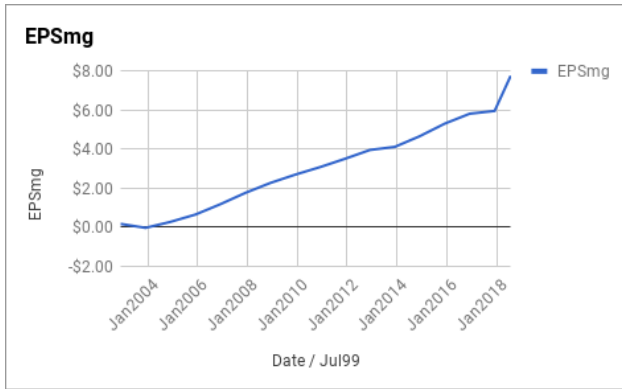
Net Current Asset Value (NCAV)	-\$14.46
Graham Number	\$91.64
PEmg	41.28
Current Ratio	0.91
PB Ratio	10.68
Current Dividend	\$1.08
Dividend Yield	0.34%
Number of Consecutive Years of Dividend Growth	9

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	\$11.08	Next Fiscal Year Estimate	\$7.77
Dec2017	\$5.86	Dec2017	\$5.97
Dec2016	\$6.48	Dec2016	\$5.82
Dec2015	\$6.33	Dec2015	\$5.32
Dec2014	\$5.57	Dec2014	\$4.67
Dec2013	\$4.16	Dec2013	\$4.13
Dec2012	\$4.62	Dec2012	\$3.97
Dec2011	\$4.10	Dec2011	\$3.52
Dec2010	\$3.55	Dec2010	\$3.09
Dec2009	\$3.24	Dec2009	\$2.70
Dec2008	\$2.88	Dec2008	\$2.28
Dec2007	\$2.55	Dec2007	\$1.77
Dec2006	\$1.90	Dec2006	\$1.19
Dec2005	\$1.36	Dec2005	\$0.66
Dec2004	\$1.12	Dec2004	\$0.28
Dec2003	-\$0.18	Dec2003	-\$0.02
Dec2002	-\$0.13	Dec2002	\$0.18
Dec2001	-\$0.63	Balance Sheet Information 3/1/2018	
Dec2000	\$1.01	Total Current Assets	\$161,499,000
Dec1999	\$0.93	Total Current Liabilities	\$177,297,000
Dec1998	\$0.99	Long-Term Debt	\$132,500,000
		Total Assets	\$912,656,000
		Intangible Assets	\$533,127,000
		Total Liabilities	\$405,697,000
		Shares Outstanding (Diluted Average)	16,887,000





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 [Chemed Corporation Valuation – Initial Coverage \\$CHE](#)

ModernGraham posts about the company

Other [Tenet Healthcare Corp Valuation – June 2018 \\$THC](#)

ModernGraham [Universal Health Services Inc Valuation – June 2018 \\$UHS](#)

posts about related [Dentsply Sirona Inc Valuation – June 2018 \\$XRAY](#)

companies [IDEXX Laboratories Inc Valuation – June 2018 \\$IDXX](#)

[Hologic Inc Valuation – June 2018 \\$HOLX](#)

[Mettler-Toledo International Inc Valuation – June 2018 \\$MTD](#)

[Envision Healthcare Corp Valuation – June 2018 \\$EVHC](#)

[DaVita Inc Valuation – June 2018 \\$DVA](#)

[Danaher Corp Valuation – May 2018 \\$DHR](#)

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