# **ModernGraham Valuation**

## **Company Name:**

Company Ticker SEM Date of Analysis

**Holdings Corporation** 

Select Medical



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

7/28/2018

Defensive Investor; I	must pass 6 out of the following 7 tests.		
	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$2,711,073,425 Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.66 Fail
	3. Earnings Stability	Positive EPS for 10 years prior	Pass
	4. Dividend Record	Dividend Payments for 10 years prior	Fail
	5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	78.89% Pass
	6. Moderate PEmg Ratio	PEmg < 20	19.65 Pass
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.80 Fail
Enterprising Investor	r; 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	1.66 Pass
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.37 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	
Quitability			
Suitability	Defensive	Νο	
	Enterprising	No	
	Enterprising	NO	
Stage 2: Dete	rmination of Intrinsic Value		
Stage 2: Dete	EPSmg	\$1.06	
Stage 2: Dete	EPSmg MG Growth Estimate	\$1.06 3.54%	
Stage 2: Dete	EPSmg		
Stage 2: Dete	EPSmg MG Growth Estimate	3.54%	
Stage 2: Dete	EPSmg MG Growth Estimate <b>MG Value</b>	3.54% <b>\$16.54</b> \$15.39 \$9.02	
-	EPSmg MG Growth Estimate <b>MG Value</b> MG Value based on 3% Growth	3.54% <b>\$16.54</b> \$15.39	
Stage 2: Dete	EPSmg MG Growth Estimate <b>MG Value</b> MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate	3.54% <b>\$16.54</b> \$15.39 \$9.02	
-	EPSmg MG Growth Estimate <b>MG Value</b> MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price	3.54% <b>\$16.54</b> \$15.39 \$9.02 5.57% \$20.85	
-	EPSmg MG Growth Estimate <b>MG Value</b> MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value	3.54% <b>\$16.54</b> \$15.39 \$9.02 5.57% <b>\$</b> 20.85 126.09%	
-	EPSmg MG Growth Estimate <b>MG Value</b> MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value <b>Opinion</b>	3.54% \$16.54 \$15.39 \$9.02 5.57% \$20.85 126.09% Overvalued	
-	EPSmg MG Growth Estimate <b>MG Value</b> MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value	3.54% <b>\$16.54</b> \$15.39 \$9.02 5.57% <b>\$</b> 20.85 126.09%	
MG Opinion	EPSmg MG Growth Estimate <b>MG Value</b> MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value <b>Opinion</b> <b>MG Grade</b>	3.54% \$16.54 \$15.39 \$9.02 5.57% \$20.85 126.09% Overvalued	
MG Opinion	EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value Opinion MG Grade	3.54% \$16.54 \$15.39 \$9.02 5.57% \$20.85 126.09% Overvalued D	
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MG Opinion	EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value Opinion MG Grade Trmation for Further Research Net Current Asset Value (NCAV) Graham Number	3.54% \$16.54 \$15.39 \$9.02 5.57% \$20.85 126.09% Overvalued D -\$30.52 \$11.87	
MG Opinion	EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value Opinion MG Grade Trmation for Further Research Net Current Asset Value (NCAV) Graham Number PEmg	3.54% \$16.54 \$15.39 \$9.02 5.57% \$20.85 126.09% Overvalued D -\$30.52 \$11.87 19.65	
MG Opinion	EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value Opinion MG Grade Truation for Further Research Net Current Asset Value (NCAV) Graham Number PEmg Current Ratio	3.54% \$16.54 \$15.39 \$9.02 5.57% \$20.85 126.09% Overvalued D -\$30.52 \$11.87 19.65 1.66	
MG Opinion	EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value Opinion MG Grade Trmation for Further Research Net Current Asset Value (NCAV) Graham Number PEmg	3.54% \$16.54 \$15.39 \$9.02 5.57% \$20.85 126.09% Overvalued D -\$30.52 \$11.87 19.65	

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Number of Consecutive Years of Dividend

**Dividend Yield** 

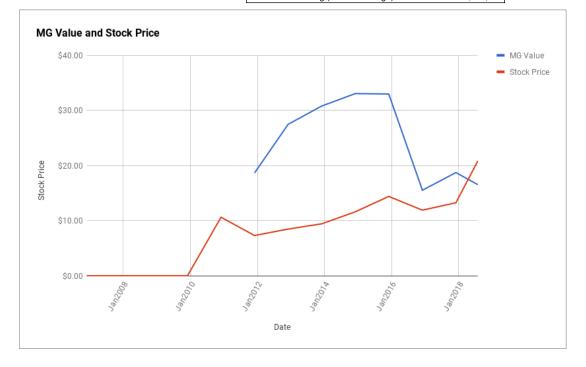
Growth

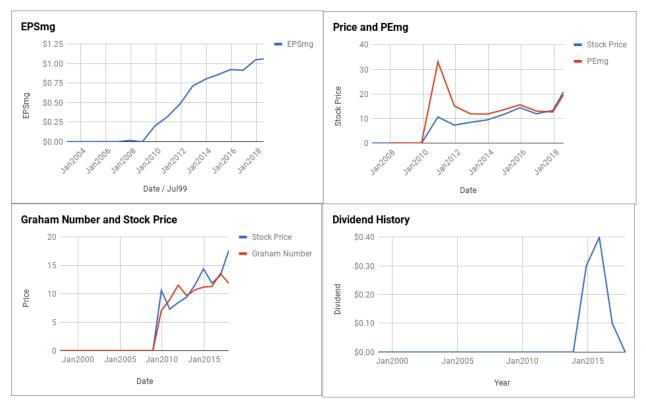
Morningstar MSN Money Seeking Alpha SEC Filings

0.00%

0

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$1.02	Next Fiscal Year Estimate	\$1.06
Dec2017	\$1.33	Dec2017	\$1.05
Dec2016	\$0.87	Dec2016	\$0.92
Dec2015	\$0.99	Dec2015	\$0.92
Dec2014	\$0.91	Dec2014	\$0.86
Dec2013	\$0.82	Dec2013	\$0.80
Dec2012	\$1.05	Dec2012	\$0.7
Dec2011	\$0.71	Dec2011	\$0.48
Dec2010	\$0.48	Dec2010	\$0.32
Dec2009	\$0.61	Dec2009	\$0.20
Dec2008	-\$0.04	Dec2008	\$0.00
Dec2007	\$0.05	Dec2007	\$0.02
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information	3/1/2018
Dec2000	\$0.00	Total Current Assets	\$1,041,341,000
Dec1999	\$0.00	Total Current Liabilities	\$625,731,000
Dec1998	\$0.00	Long-Term Debt	\$3,478,021,000
		Total Assets	\$5,968,643,000
		Intangible Assets	\$3,743,258,000
		Total Liabilities	\$5,003,366,000
		Shares Outstanding (Diluted Average)	129,816,000





#### 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:**

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