

ModernGraham Valuation

Company Name:

CorVel Corporation

Company Ticker CRVL

Date of Analysis

8/22/2018



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	\$1,177,565,744	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.75	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	69.01%	Pass
5. Earnings Growth	PEmg < 20	34.11	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	6.29	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	1.75	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.76
MG Growth Estimate	4.59%
MG Value	\$31.06
MG Value based on 3% Growth	\$25.46
MG Value based on 0% Growth	\$14.93
Market Implied Growth Rate	12.81%

MG Opinion

Current Price	\$59.90
% of Intrinsic Value	192.87%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.86
Graham Number	\$20.28
PEmg	34.11
Current Ratio	1.75
PB Ratio	6.29
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		Next Fiscal Year Estimate	
Mar2018	\$2.02	Mar2018	\$1.76
Mar2017	\$1.87	Mar2017	\$1.60
Mar2016	\$1.51	Mar2016	\$1.45
Mar2015	\$1.43	Mar2015	\$1.40
Mar2014	\$1.37	Mar2014	\$1.34
Mar2013	\$1.61	Mar2013	\$1.29
Mar2012	\$1.19	Mar2012	\$1.09
Mar2011	\$1.14	Mar2011	\$1.01
Mar2010	\$1.03	Mar2010	\$0.91
Mar2009	\$1.03	Mar2009	\$0.81
Mar2008	\$0.71	Mar2008	\$0.66
Mar2007	\$0.84	Mar2007	\$0.59
Mar2006	\$0.65	Mar2006	\$0.47
Mar2005	\$0.34	Mar2005	\$0.39
Mar2004	\$0.32	Mar2004	\$0.42
Mar2003	\$0.49	Mar2003	\$0.46
Mar2002	\$0.50	Mar2003	\$0.42
Mar2001	\$0.43	Balance Sheet Information	
Mar2000	\$0.38	6/1/2018	
Mar1999	\$0.33	Total Current Assets	\$183,156,000
	\$0.28	Total Current Liabilities	\$104,801,000
		Long-Term Debt	\$0
		Total Assets	\$291,210,000
		Intangible Assets	\$40,120,000
		Total Liabilities	\$109,345,000
		Shares Outstanding (Diluted Average)	19,102,000





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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