

ModernGraham Valuation

Company Name:

LHC Group, Inc.

Company Ticker LHCG

Date of Analysis

9/9/2018



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	\$3,072,215,649	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.59	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	72.60%	Pass
5. Earnings Growth	PEmg < 20	41.07	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.21	Pass
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	1.59	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.86	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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.39
MG Growth Estimate	15.00%
MG Value	\$91.91
MG Value based on 3% Growth	\$34.62
MG Value based on 0% Growth	\$20.29
Market Implied Growth Rate	16.29%

MG Opinion

Current Price	\$98.05
% of Intrinsic Value	106.68%
Opinion	Fairly Valued
MG Grade	D+

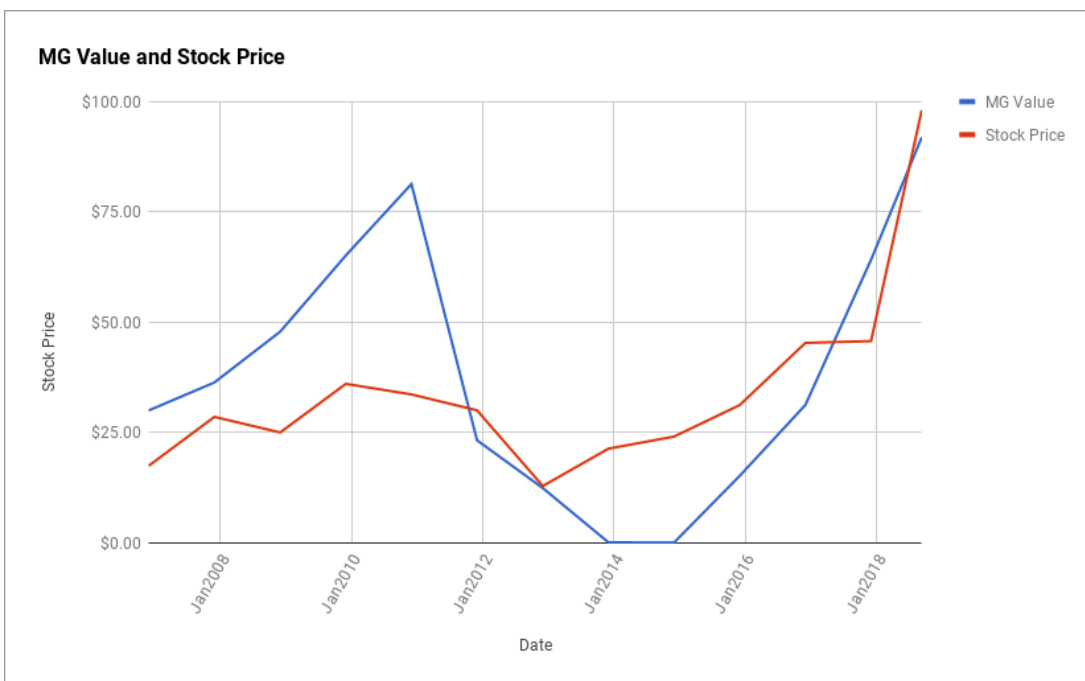
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$5.42
Graham Number	\$39.19
PEmg	41.07
Current Ratio	1.59
PB Ratio	2.21
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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		Next Fiscal Year Estimate	
Dec2017	\$2.70	Dec2017	\$2.39
Dec2016	\$2.79	Dec2016	\$2.10
Dec2015	\$2.07	Dec2015	\$1.71
Dec2014	\$1.84	Dec2014	\$1.36
Dec2013	\$1.26	Dec2013	\$1.15
Dec2012	\$1.30	Dec2012	\$1.21
Dec2011	\$1.53	Dec2011	\$1.29
Dec2010	-\$0.73	Dec2010	\$1.26
Dec2009	\$2.68	Dec2009	\$2.11
Dec2008	\$2.43	Dec2008	\$1.69
Dec2007	\$1.69	Dec2007	\$1.24
Dec2006	\$1.11	Dec2006	\$0.94
Dec2005	\$1.27	Dec2005	\$0.78
Dec2004	\$0.59	Dec2004	\$0.48
Dec2003	\$0.76	Dec2003	\$0.37
Dec2002	\$0.23	Dec2002	\$0.15
Dec2001	\$0.23	Dec2002	\$0.09
Dec2000	\$0.06	Balance Sheet Information	
Dec1999	\$0.00	6/1/2018	
Dec1998	\$0.00	Total Current Assets	
		\$350,436,000	
		Total Current Liabilities	
		\$220,005,000	
		Long-Term Debt	
		\$242,265,000	
		Total Assets	
		\$1,881,670,000	
		Intangible Assets	
		\$1,443,914,000	
		Total Liabilities	
		\$517,175,000	
		Shares Outstanding (Diluted Average)	
		30,742,000	





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 [LHC Group Inc Valuation – Initial Coverage \\$LHCG](#)

ModernGraham
posts about the
company

Other [Chartwell Retirement Residences Valuation – August 2018 \\$TSE:CSH.UN](#)

ModernGraham [STERIS PLC Valuation – August 2018 \\$STE](#)

posts about related [CryoLife Inc Valuation – August 2018 \\$CRY](#)

companies [Charles River Laboratories International Inc Valuation – August 2018 \\$CRL](#)

[Surmodics Inc Valuation – August 2018 \\$SRDX](#)

[Conmed Corp Valuation – August 2018 \\$CNMD](#)

[Invacare Corp Valuation – July 2018 \\$IVC](#)

[Select Medical Holdings Corp Valuation – July 2018 \\$SEM](#)

[Chemed Corp Valuation – July 2018 \\$CHE](#)

[Inogen Inc Valuation – July 2018 \\$INGN](#)