

ModernGraham Valuation

Company Name:

Cardinal Health Inc

Company Ticker CAH

Date of Analysis

1/19/2019



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	\$14,614,005,822	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.06	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	22.78%	Fail
5. Earnings Growth	PEmg < 20	14.79	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.54	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	1.06	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.76	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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.32
MG Growth Estimate	2.20%
MG Value	\$42.80
MG Value based on 3% Growth	\$48.08
MG Value based on 0% Growth	\$28.19
Market Implied Growth Rate	3.15%

MG Opinion

Current Price	\$49.05
% of Intrinsic Value	114.61%
Opinion	Overvalued
MG Grade	C

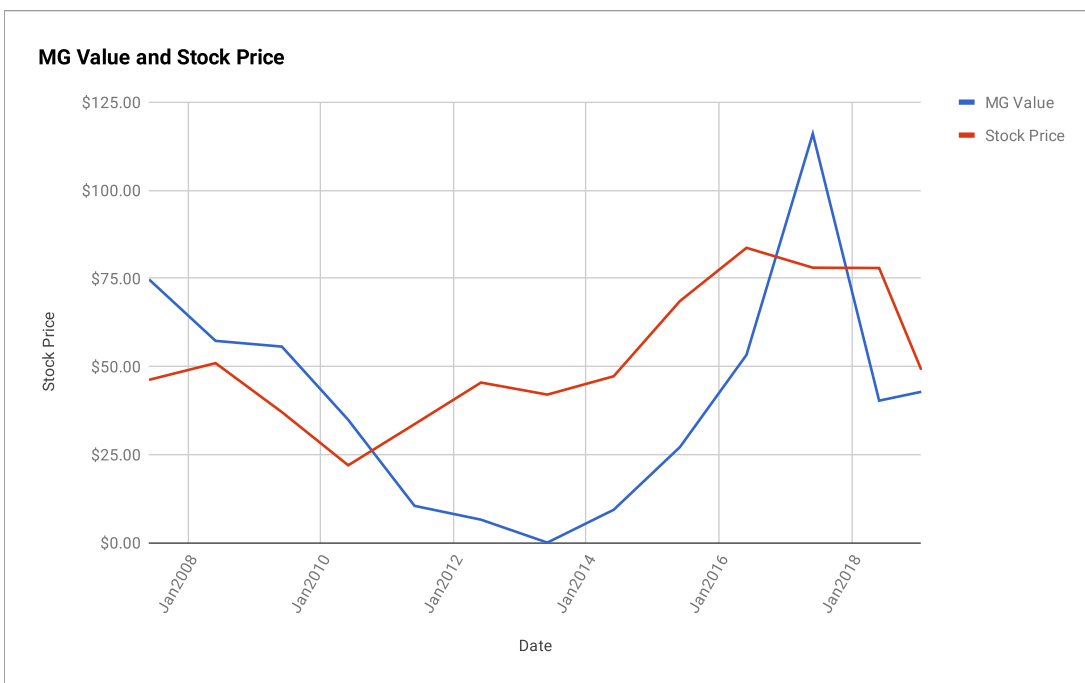
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$31.55
Graham Number	\$44.21
PEmg	14.79
Current Ratio	1.06
PB Ratio	2.54
Current Dividend	\$1.86
Dividend Yield	3.80%
Number of Consecutive Years of Dividend Growth	20

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	\$3.32
Jun2018	\$4.43	Jun2018	\$2.92
Jun2017	\$0.81	Jun2017	\$3.73
Jun2016	\$4.03	Jun2016	\$3.41
Jun2015	\$4.32	Jun2015	\$2.89
Jun2014	\$3.62	Jun2014	\$2.48
Jun2013	\$3.38	Jun2013	\$2.13
Jun2012	\$0.97	Jun2012	\$2.76
Jun2011	\$3.06	Jun2011	\$2.81
Jun2010	\$2.72	Jun2010	\$2.94
Jun2009	\$1.77	Jun2009	\$3.44
Jun2008	\$3.18	Jun2008	\$3.47
Jun2007	\$3.57	Jun2007	\$3.34
Jun2006	\$4.77	Jun2006	\$2.65
Jun2005	\$2.33	Jun2005	\$2.74
Jun2004	\$2.41	Jun2004	\$2.74
Jun2003	\$3.35	Jun2003	\$2.29
Jun2002	\$3.03	Balance Sheet Information 9/1/2018	
Jun2001	\$2.33	Total Current Assets	\$24,445,000,000
Jun2000	\$1.85	Total Current Liabilities	\$23,057,000,000
Jun2000	\$1.58	Long-Term Debt	\$7,999,000,000
Jun1999	\$1.12	Total Assets	\$40,011,000,000
		Intangible Assets	\$12,093,000,000
		Total Liabilities	\$34,098,000,000
		Shares Outstanding (Diluted Average)	306,000,000





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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ModernGraham
posts about the
company

[Best Dividend Paying Stocks for Dividend Growth Investors – August 2018](#)
[10 Low PE Stock Picks for the Defensive Investor – August 2018](#)
[5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – August 2018](#)
[10 Undervalued Companies for the Defensive Dividend Stock Investor – July 2018](#)
[Best Dividend Paying Stocks for Dividend Growth Investors – June 2018](#)

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[Henry Schein Inc Valuation – January 2019 \\$HSIC](#)
[Medtronic PLC Valuation – January 2019 \\$MDT](#)
[UnitedHealth Group Inc Valuation – November 2018 \\$UNH](#)
[Luminex Corp Valuation – October 2018 \\$LMNX](#)
[LHC Group Inc Valuation – September 2018 \\$LHCG](#)
[Chartwell Retirement Residences Valuation – August 2018 \\$TSE:CSH.UN](#)
[STERIS PLC Valuation – August 2018 \\$STE](#)
[CryoLife Inc Valuation – August 2018 \\$CRY](#)
[Charles River Laboratories International Inc Valuation – August 2018 \\$CRL](#)