

ModernGraham Valuation

Company Name:

Quest Diagnostics Inc

Company Ticker DGX

Date of Analysis

2/5/2019



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	\$11,921,276,764	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.15	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	44.56%	Pass
5. Earnings Growth	PEmg < 20	16.98	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.27	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	1.15	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	15.86	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.16
MG Growth Estimate	3.88%
MG Value	\$83.87
MG Value based on 3% Growth	\$74.80
MG Value based on 0% Growth	\$43.85
Market Implied Growth Rate	4.24%

MG Opinion

Current Price	\$87.61
% of Intrinsic Value	104.46%
Opinion	Fairly Valued
MG Grade	B-

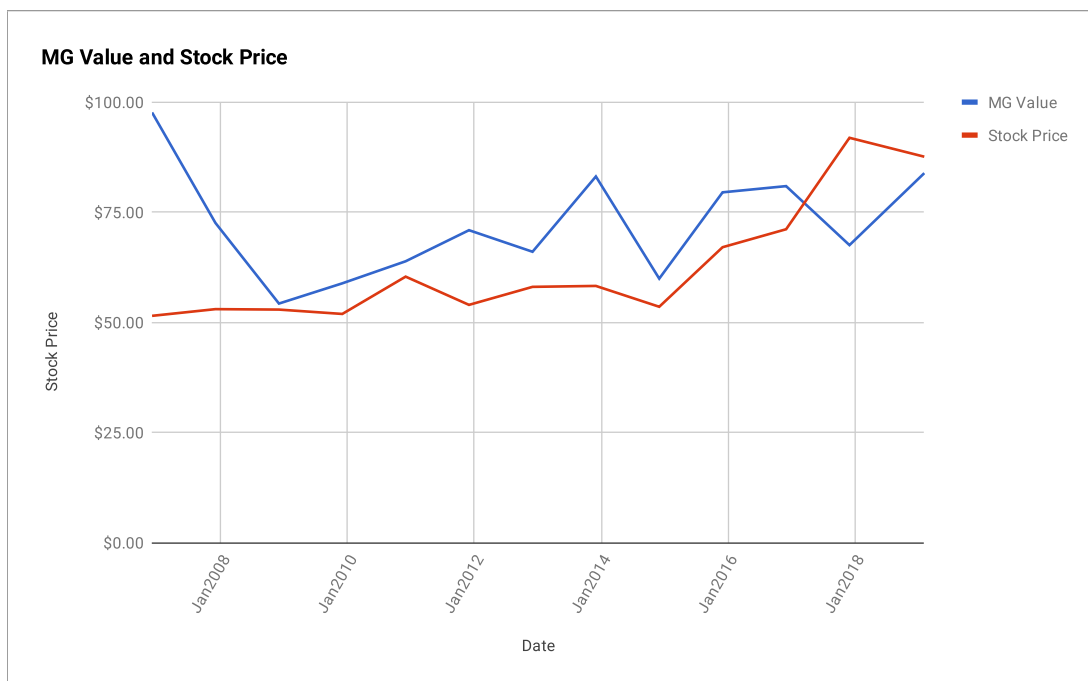
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$28.91
Graham Number	\$68.13
PEmg	16.98
Current Ratio	1.15
PB Ratio	2.27
Current Dividend	\$1.35
Dividend Yield	1.54%
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	\$5.16
Dec2017	\$5.50	Dec2017	\$4.89
Dec2016	\$4.51	Dec2016	\$4.53
Dec2015	\$4.87	Dec2015	\$4.40
Dec2014	\$3.81	Dec2014	\$4.10
Dec2013	\$5.54	Dec2013	\$4.15
Dec2012	\$3.46	Dec2012	\$3.46
Dec2011	\$2.92	Dec2011	\$3.34
Dec2010	\$4.05	Dec2010	\$3.40
Dec2009	\$3.87	Dec2009	\$3.00
Dec2008	\$2.97	Dec2008	\$2.55
Dec2007	\$1.74	Dec2007	\$2.34
Dec2006	\$2.94	Dec2006	\$2.54
Dec2005	\$2.66	Dec2005	\$2.19
Dec2004	\$2.35	Dec2004	\$1.79
Dec2003	\$2.02	Dec2003	\$1.34
Dec2002	\$1.62	Dec2002	\$0.88
Dec2001	\$0.83	Balance Sheet Information 9/1/2018	
Dec2000	\$0.54	Total Current Assets	\$1,603,000,000
Dec1999	-\$0.03	Total Current Liabilities	\$1,389,000,000
Dec1998	\$0.22	Long-Term Debt	\$3,394,000,000
		Total Assets	\$10,986,000,000
		Intangible Assets	\$7,615,000,000
		Total Liabilities	\$5,621,000,000
		Shares Outstanding (Diluted Average)	139,000,000





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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posts about the
company

[Quest Diagnostics Inc Valuation – April 2018 \\$DGX](#)
[7 Best Stocks For Value Investors This Week – 7/30/16](#)
[Quest Diagnostics Inc Valuation – July 2016 \\$DGX](#)
[18 Best Stocks For Value Investors This Week – 1/30/16](#)
[Quest Diagnostics Inc Valuation – January 2016 Update \\$DGX](#)

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[Intuitive Surgical Inc Valuation – January 2019 \\$ISRG](#)
[PerkinElmer Inc Valuation – January 2019 \\$PKI](#)
[Cardinal Health Inc Valuation – January 2019 \\$CAH](#)
[Varian Medical Systems Inc Valuation – January 2019 \\$VAR](#)
[Zimmer Biomet Holdings Inc Valuation – January 2019 \\$ZBH](#)
[Henry Schein Inc Valuation – January 2019 \\$HSIC](#)
[Medtronic PLC Valuation – January 2019 \\$MDT](#)
[UnitedHealth Group Inc Valuation – November 2018 \\$UNH](#)