

ModernGraham Valuation

Company Name:

HCA Healthcare Inc

Company Ticker HCA

Date of Analysis

2/12/2019



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	\$48,101,661,954	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.35	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	136.01%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	16.19	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-16.89	Fail

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	1.35	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	12.12	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$8.63
MG Growth Estimate	15.00%
MG Value	\$332.20
MG Value based on 3% Growth	\$125.12
MG Value based on 0% Growth	\$73.34
Market Implied Growth Rate	3.84%

MG Opinion

Current Price	\$139.66
% of Intrinsic Value	42.04%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$90.43
Graham Number	\$0.00
PEmg	16.19
Current Ratio	1.35
PB Ratio	-16.89
Current Dividend	\$1.40
Dividend Yield	1.00%
Number of Consecutive Years of Dividend Growth	1

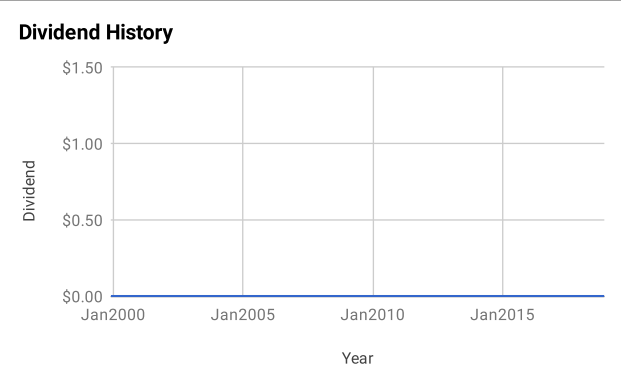
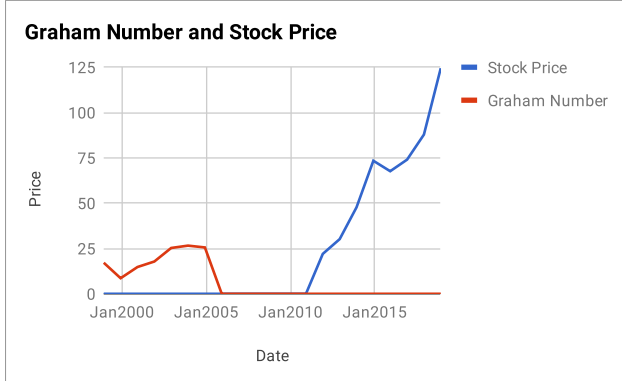
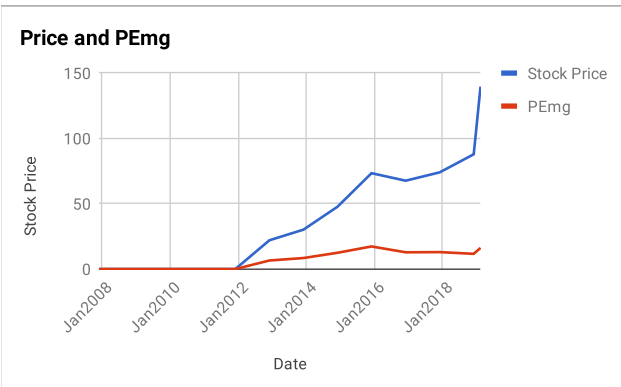
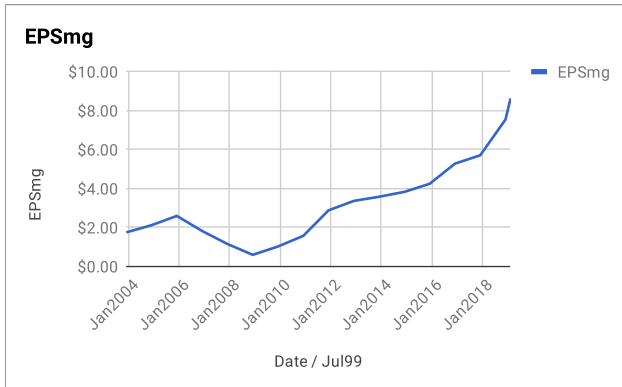
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$9.87	Next Fiscal Year Estimate	\$8.63
Dec2018	\$10.66	Dec2018	\$7.54
Dec2017	\$5.95	Dec2017	\$5.71
Dec2016	\$7.30	Dec2016	\$5.28
Dec2015	\$4.99	Dec2015	\$4.24
Dec2014	\$4.16	Dec2014	\$3.83
Dec2013	\$3.37	Dec2013	\$3.58
Dec2012	\$3.49	Dec2012	\$3.37
Dec2011	\$4.97	Dec2011	\$2.88
Dec2010	\$2.76	Dec2010	\$1.57
Dec2009	\$2.44	Dec2009	\$1.03
Dec2008	\$0.00	Dec2008	\$0.60
Dec2007	\$0.00	Dec2007	\$1.16
Dec2006	\$0.00	Dec2006	\$1.82
Dec2005	\$3.19	Dec2005	\$2.60
Dec2004	\$2.58	Dec2004	\$2.12
Dec2003	\$2.61	Dec2003	\$1.75
Dec2002	\$1.59	Balance Sheet Information 12/1/2018	
Dec2001	\$1.65	Total Current Assets	\$10,213,000,000
Dec2000	\$0.39	Total Current Liabilities	\$7,569,000,000
Dec1999	\$1.11	Long-Term Debt	\$32,033,000,000
		Total Assets	\$39,207,000,000
		Intangible Assets	\$7,953,000,000
		Total Liabilities	\$42,125,000,000
		Shares Outstanding (Diluted Average)	352,876,000





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 ModernGraham posts about the company

- [HCA Healthcare Inc Valuation – April 2018 \\$HCA](#)
- [HCA Holdings Inc Valuation – August 2016 \\$HCA](#)
- [HCA Holdings Inc. Analysis – Initial Coverage \\$HCA](#)

Other ModernGraham posts about related companies

- [Stryker Corp Valuation – February 2019 \\$SYK](#)
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- [Cardinal Health Inc Valuation – January 2019 \\$CAH](#)
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