

ModernGraham Valuation

Company Name:

CVS Health Corp

Company Ticker CVS

Date of Analysis

3/19/2019



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	\$74,484,932,860	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.03	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	55.69%	Pass
5. Earnings Growth	PEmg < 20	13.21	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.10	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	1.03	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	57.90	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
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	\$4.33
MG Growth Estimate	1.58%
MG Value	\$50.55
MG Value based on 3% Growth	\$62.85
MG Value based on 0% Growth	\$36.84
Market Implied Growth Rate	2.35%

MG Opinion

Current Price	\$57.26
% of Intrinsic Value	113.27%
Opinion	Overvalued
MG Grade	C

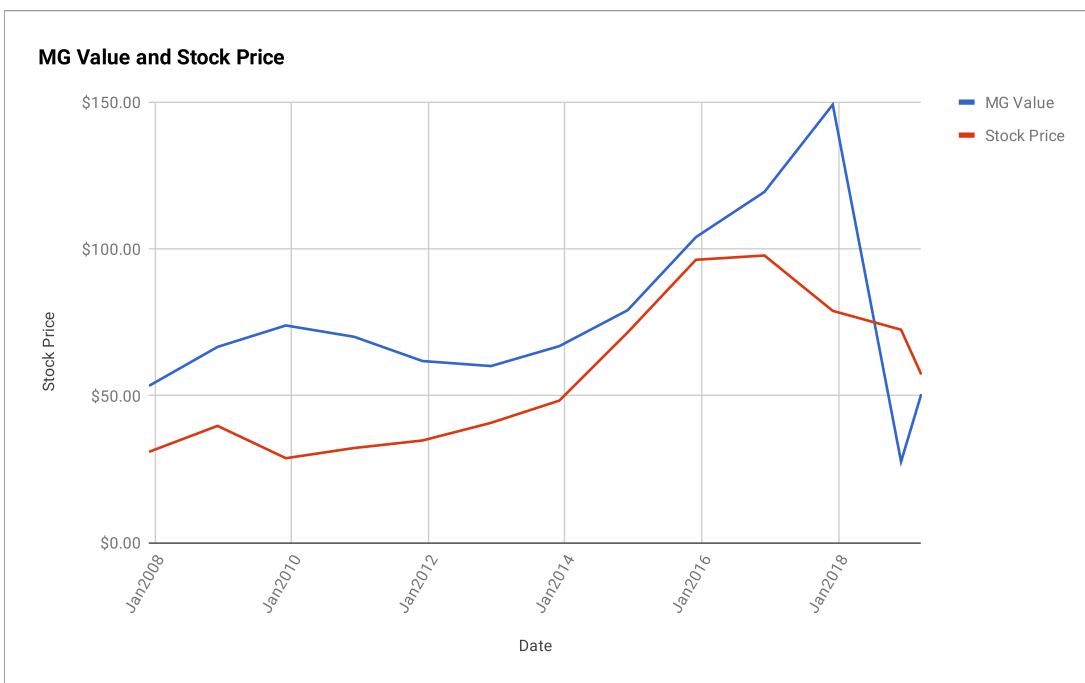
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$82.59
Graham Number	\$82.45
PEmg	13.21
Current Ratio	1.03
PB Ratio	1.10
Current Dividend	\$2.00
Dividend Yield	3.49%
Number of Consecutive Years of Dividend Growth	15

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	
	\$6.71		\$4.33
Dec2018	-\$0.57	Dec2018	\$3.39
Dec2017	\$6.44	Dec2017	\$5.16
Dec2016	\$4.90	Dec2016	\$4.36
Dec2015	\$4.63	Dec2015	\$3.92
Dec2014	\$3.96	Dec2014	\$3.43
Dec2013	\$3.74	Dec2013	\$3.07
Dec2012	\$3.02	Dec2012	\$2.68
Dec2011	\$2.57	Dec2011	\$2.45
Dec2010	\$2.49	Dec2010	\$2.31
Dec2009	\$2.55	Dec2009	\$2.13
Dec2008	\$2.18	Dec2008	\$1.83
Dec2007	\$1.92	Dec2007	\$1.57
Dec2006	\$1.60	Dec2006	\$1.34
Dec2005	\$1.45	Dec2005	\$1.13
Dec2004	\$1.10	Dec2004	\$0.94
Dec2003	\$1.03	Dec2003	\$0.85
Dec2002	\$0.88	Balance Sheet Information	
Dec2001	\$0.50	12/1/2018	
Dec2000	\$0.92	Total Current Assets	\$45,243,000,000
Dec1999	\$0.78	Total Current Liabilities	\$44,009,000,000
		Long-Term Debt	\$71,444,000,000
		Total Assets	\$196,456,000,000
		Intangible Assets	\$115,202,000,000
		Total Liabilities	\$137,913,000,000
		Shares Outstanding (Diluted Average)	1,122,000,000





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

[10 Low PE Stock Picks for the Defensive Investor – August 2018](#)
[10 Undervalued Companies for the Defensive Dividend Stock Investor – June 2018](#)
[CVS Health Corp Valuation – June 2018 \\$CVS](#)
[6 Best Stocks for Value Investors This Week – 3/26/17](#)
[CVS Health Corp Valuation – March 2017 \\$CVS](#)

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[TJX Companies Inc Valuation – February 2019 \\$TJX](#)
[Tractor Supply Co Valuation – February 2019 \\$TSCO](#)
[Tapestry Inc Valuation – February 2019 \\$TPR](#)
[Dollar General Corp Valuation – February 2019 \\$DG](#)
[Tiffany & Co Valuation – February 2019 \\$TIF](#)
[Best Buy Co Inc Valuation – February 2019 \\$BBY](#)
[Macy's Inc Valuation – January 2019 \\$M](#)
[Ross Stores Inc Valuation – January 2019 \\$ROST](#)
[Walgreens Boots Alliance Inc Valuation – December 2018 \\$WBA](#)