

# ModernGraham Valuation

Company Name:

Davita Inc

Company Ticker DVA

Date of Analysis

3/13/2019



## 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	\$8,952,319,873	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.72	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	17.39%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	18.25	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.29	Pass

*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	1.72	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.31	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.94
MG Growth Estimate	3.21%
<b>MG Value</b>	<b>\$43.95</b>
MG Value based on 3% Growth	\$42.70
MG Value based on 0% Growth	\$25.03
Market Implied Growth Rate	4.87%

### MG Opinion

Current Price	\$53.74
% of Intrinsic Value	122.29%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

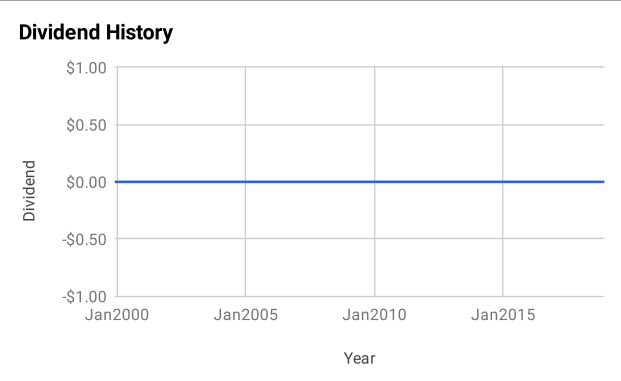
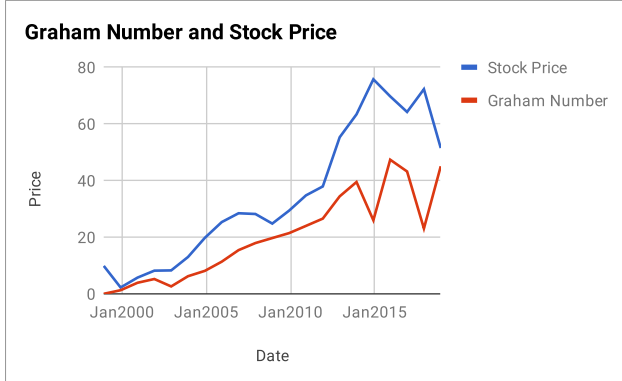
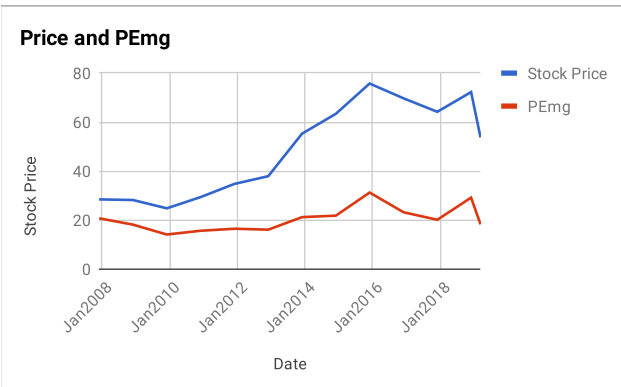
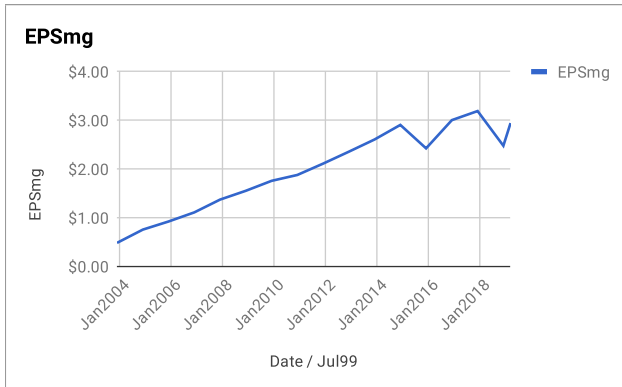
Net Current Asset Value (NCAV)	-\$40.73
Graham Number	\$45.04
PEmg	18.25
Current Ratio	1.72
PB Ratio	2.29
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.05	Next Fiscal Year Estimate	\$2.94
Dec2018	\$0.92	Dec2018	\$2.48
Dec2017	\$3.47	Dec2017	\$3.19
Dec2016	\$4.29	Dec2016	\$3.01
Dec2015	\$1.25	Dec2015	\$2.43
Dec2014	\$3.33	Dec2014	\$2.91
Dec2013	\$2.95	Dec2013	\$2.61
Dec2012	\$2.74	Dec2012	\$2.36
Dec2011	\$2.48	Dec2011	\$2.11
Dec2010	\$1.97	Dec2010	\$1.88
Dec2009	\$2.03	Dec2009	\$1.76
Dec2008	\$1.77	Dec2008	\$1.55
Dec2007	\$1.78	Dec2007	\$1.37
Dec2006	\$1.37	Dec2006	\$1.11
Dec2005	\$1.10	Dec2005	\$0.92
Dec2004	\$1.08	Dec2004	\$0.76
Dec2003	\$0.78	Dec2003	\$0.48
Dec2002	\$0.61	<b>Balance Sheet Information 12/1/2018</b>	
Dec2001	\$0.48	Total Current Assets	\$8,424,159,000
Dec2000	\$0.05	Total Current Liabilities	\$4,891,161,000
Dec1999	-\$0.60	Long-Term Debt	\$8,172,847,000
		Total Assets	\$19,110,252,000
		Intangible Assets	\$6,960,806,000
		Total Liabilities	\$15,201,854,000
		Shares Outstanding (Diluted Average)	166,413,000





**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**
- [DaVita Inc Valuation – June 2018 \\$DVA](#)
  - [Davita Inc Valuation – February 2017 \\$DVA](#)
  - [DaVita HealthCare Partners Inc Valuation – November 2015 Update \\$DVA](#)
  - [30 Companies in the Spotlight This Week – 11/15/14](#)
  - [DaVita Healthcare Partners Inc. Annual Valuation – 2014 \\$DVA](#)

- Other ModernGraham posts about related companies**
- [Danaher Corp Valuation – March 2019 #DHR](#)
  - [Agilent Technologies Inc Valuation – March 2019 #A](#)
  - [ResMed Inc Valuation – March 2019 #RMD](#)
  - [Cooper Companies Inc Valuation – March 2019 #COO](#)
  - [Edwards Lifesciences Corp Valuation – March 2019 \\$EW](#)
  - [Boston Scientific Corporation Valuation – March 2019 \\$BSX](#)
  - [Baxter International Inc Valuation – March 2019 \\$BAX](#)
  - [Centene Corp Valuation – March 2019 \\$CNC](#)
  - [Abbott Laboratories Valuation – February 2019 \\$ABT](#)
  - [Becton Dickinson and Co Valuation – February 2019 \\$BDX](#)