

ModernGraham Valuation



Universal Health
Services, Inc. Class B

Company Name:

Company Ticker UHS

Date of Analysis

4/3/2019

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	\$12,167,567,641	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.34	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	136.21%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	15.96	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.27	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	1.34	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.05	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	\$8.40
MG Growth Estimate	7.49%
MG Value	\$197.22
MG Value based on 3% Growth	\$121.76
MG Value based on 0% Growth	\$71.38
Market Implied Growth Rate	3.73%

MG Opinion

Current Price	\$134.03
% of Intrinsic Value	67.96%
Opinion	Undervalued
MG Grade	B

Stage 3: Information for Further Research

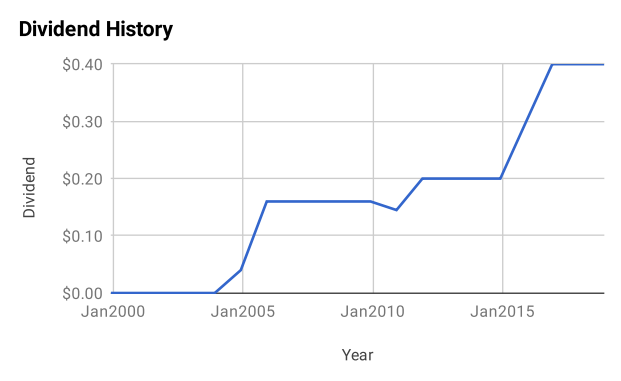
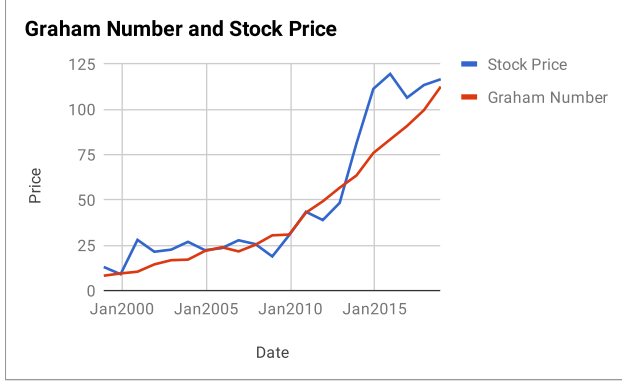
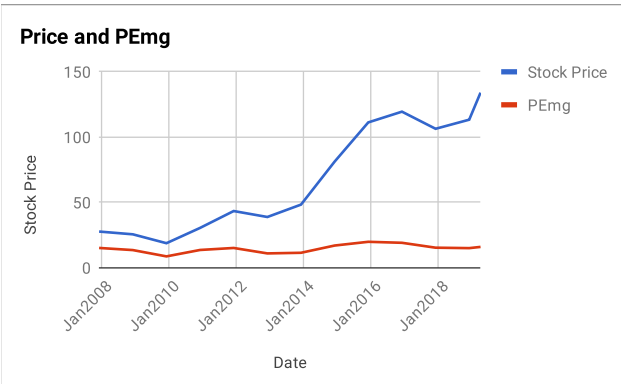
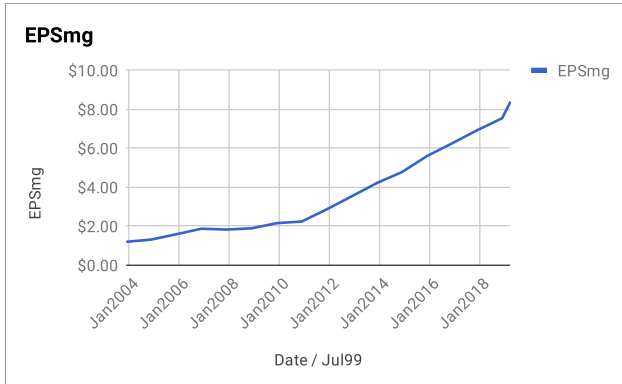
Net Current Asset Value (NCAV)	-\$41.66
Graham Number	\$112.47
PEmg	15.96
Current Ratio	1.34
PB Ratio	2.27
Current Dividend	\$0.40
Dividend Yield	0.30%
Number of Consecutive Years of Dividend Growth	0

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	\$9.65	Next Fiscal Year Estimate	\$8.40
Dec2018	\$8.31	Dec2018	\$7.54
Dec2017	\$7.81	Dec2017	\$6.92
Dec2016	\$7.14	Dec2016	\$6.25
Dec2015	\$6.76	Dec2015	\$5.60
Dec2014	\$5.42	Dec2014	\$4.78
Dec2013	\$5.14	Dec2013	\$4.22
Dec2012	\$4.53	Dec2012	\$3.54
Dec2011	\$4.04	Dec2011	\$2.87
Dec2010	\$2.34	Dec2010	\$2.24
Dec2009	\$2.64	Dec2009	\$2.16
Dec2008	\$1.96	Dec2008	\$1.89
Dec2007	\$1.59	Dec2007	\$1.83
Dec2006	\$2.28	Dec2006	\$1.87
Dec2005	\$2.00	Dec2005	\$1.59
Dec2004	\$1.38	Dec2004	\$1.32
Dec2003	\$1.60	Dec2003	\$1.20
Dec2002	\$1.37	Balance Sheet Information 12/1/2018	
Dec2001	\$0.80	Total Current Assets	\$1,937,802,000
Dec2000	\$0.75	Total Current Liabilities	\$1,448,738,000
Dec1999	\$0.61	Long-Term Debt	\$3,935,187,000
		Total Assets	\$11,265,480,000
		Intangible Assets	\$3,844,628,000
		Total Liabilities	\$5,799,687,000
		Shares Outstanding (Diluted Average)	92,706,000





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**
- [Universal Health Services Inc Valuation – June 2018 \\$UHS](#)
 - [Universal Health Services Inc Valuation – August 2017 \\$UHS](#)
 - [Universal Health Services Inc Valuation – August 2016 \\$UHS](#)
 - [Universal Health Services Inc. Analysis – Initial Coverage \\$UHS](#)

- Other ModernGraham posts about related companies**
- [Dentsply Sirona Inc Valuation – March 2019 #XRAY](#)
 - [McKesson Corp Valuation – March 2019 #MCK](#)
 - [IDEXX Laboratories Inc Valuation – March 2019 #IDXX](#)
 - [Hologic Inc Valuation – March 2019 #HOLX](#)
 - [Mettler-Toledo International Inc Valuation – March 2019 #MTD](#)
 - [DaVita Inc Valuation – March 2019 #DVA](#)
 - [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](#)