

# ModernGraham Valuation

Company Name:

Danaher Corporation

Company Ticker DHR

Date of Analysis

11/12/2015



## 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	\$65,198,043,404	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.04	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	113.43%	Pass
6. Moderate PEmg Ratio	PEmg < 20	23.55	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.88	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	1.04	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	37.63	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

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.04
MG Growth Estimate	9.34%
<b>MG Value</b>	<b>\$109.81</b>
MG Value based on 3% Growth	\$58.58
MG Value based on 0% Growth	\$34.34
Market Implied Growth Rate	7.52%

### MG Opinion

Current Price	\$95.14
% of Intrinsic Value	86.64%
<b>Opinion</b>	<b>Fairly Valued</b>

## Stage 3: Information for Further Research

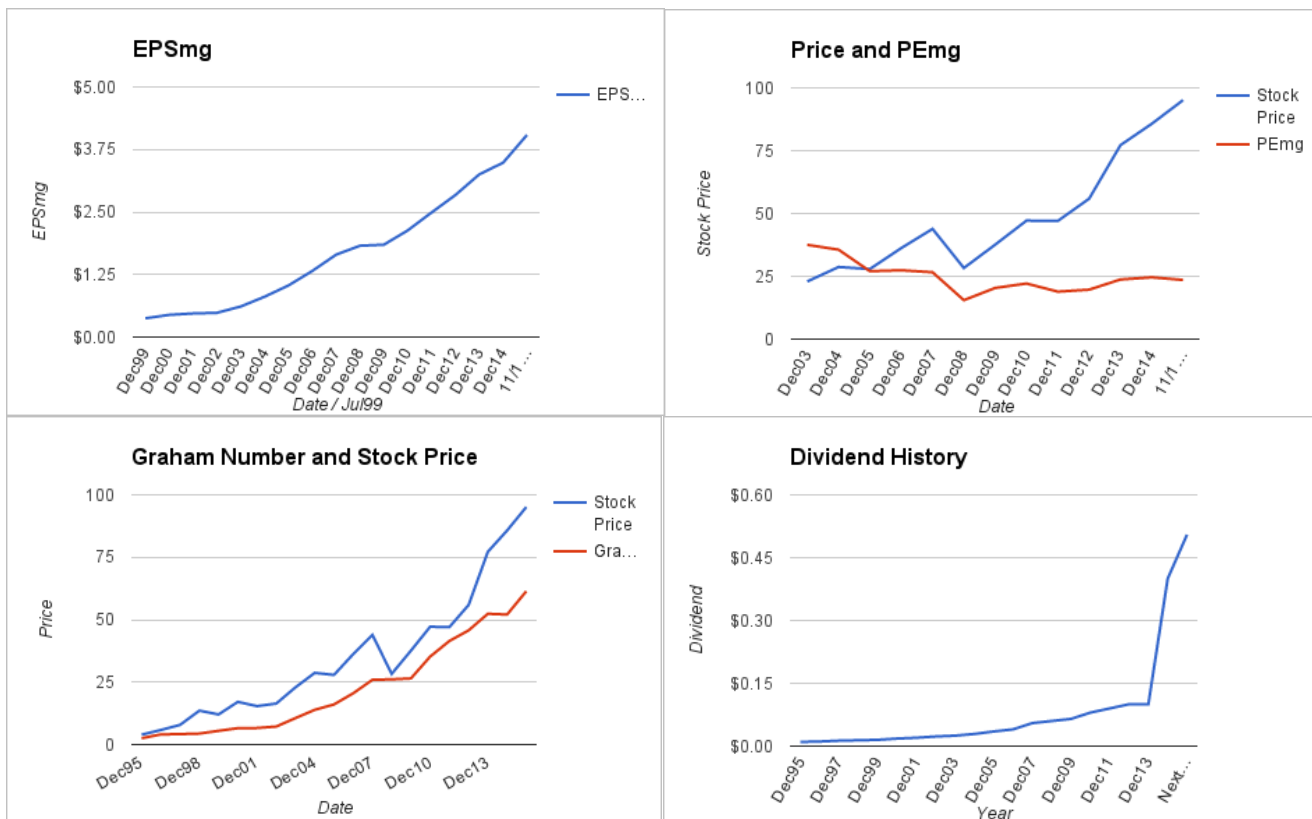
Net Current Asset Value (NCAV)	-\$25.28
Graham Number	\$61.42
PEmg	23.55
Current Ratio	1.04
PB Ratio	2.88
Dividend Yield	0.53%
Number of Consecutive Years of Dividend Growth	2

### 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	\$4.97	Next Fiscal Year Estimate	\$4.04
Dec14	\$3.63	Dec14	\$3.49
Dec13	\$3.80	Dec13	\$3.25
Dec12	\$3.36	Dec12	\$2.84
Dec11	\$3.11	Dec11	\$2.49
Dec10	\$2.64	Dec10	\$2.13
Dec09	\$1.73	Dec09	\$1.85
Dec08	\$1.98	Dec08	\$1.83
Dec07	\$2.10	Dec07	\$1.65
Dec06	\$1.74	Dec06	\$1.32
Dec05	\$1.38	Dec05	\$1.03
Dec04	\$1.15	Dec04	\$0.81
Dec03	\$0.84	Dec03	\$0.61
Dec02	\$0.47	Dec02	\$0.48
Dec01	\$0.50	Dec01	\$0.47
Dec00	\$0.56	Dec00	\$0.44
Dec99	\$0.45	Dec99	\$0.37
Dec98	\$0.33	<b>Balance Sheet Information Sep15</b>	
Dec97	\$0.32	Total Current Assets	\$8,931,800,000
Dec96	\$0.43	Total Current Liabilities	\$8,625,600,000
Dec95	\$0.23	Long-Term Debt	\$11,522,700,000
		Total Assets	\$49,707,900,000
		Intangible Assets	\$36,819,200,000
		Total Liabilities	\$26,595,200,000
		Shares Outstanding (Diluted Average)	698,700,000





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**

- [Danaher Corporation Analysis – August 2015 Update \\$DHR](#)
- [47 Companies in the Spotlight This Week – 5/16/15](#)
- [Danaher Corporation Quarterly Valuation – May 2015 \\$DHR](#)
- [40 Companies in the Spotlight This Week – 2/21/15](#)
- [Danaher Corporation Quarterly Valuation – February 2015 \\$DHR](#)

**Other ModernGraham posts about related companies**

- [AGCO Corporation Valuation – November 2015 Update \\$AGCO](#)
- [Snap-on Inc. Valuation – November 2015 Update \\$SNA](#)
- [Joy Global Inc. Valuation – November 2015 Update \\$JOY](#)
- [Rockwell Automation Inc. Valuation – October 2015 Update \\$ROK](#)
- [Paccar Inc. Analysis – October 2015 Update \\$PCAR](#)
- [W.W. Grainger Inc. Analysis – October 2015 Update \\$GWW](#)
- [My Personal Holdings: Deere & Company – October 2015 Update \\$DE](#)
- [Allegion PLC Analysis – September 2015 Update \\$ALLE](#)
- [Parker Hannifin Corporation Analysis – September 2015 Update \\$PH](#)
- [Roper Technologies Inc. Analysis – September 2015 Update \\$ROP](#)