ModernGraham Valuation

Bed Bath & Beyond

Inc.



Company Ticker BBBY Date of Analysis

Company Name:

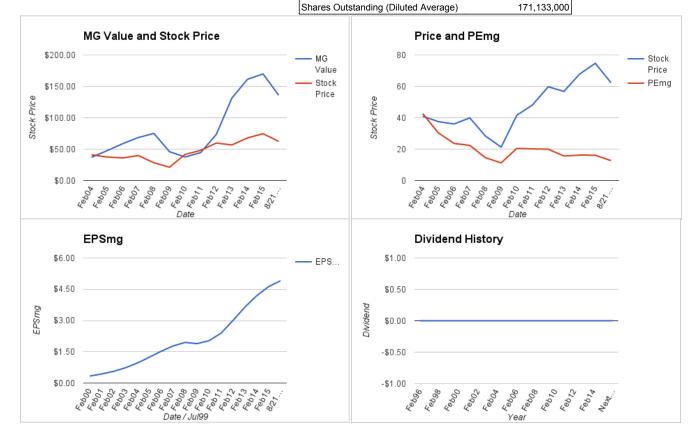
8/21/2015

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.

Defensive investor; n	nust pass 6 out of the following 7 tests.				
	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	Pass		
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	Fail		
	3. Earnings Stability	Positive EPS for 10 years prior	Pass		
	 Dividend Record Earnings Growth 	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Fail Pass		
	6. Moderate PEmg Ratio	PEmg < 20	Pass		
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	Fail		
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Enterprising Investor;	must pass 4 out of the following 5 tests, or b		_		
	1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	Pass		
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	Pass		
	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	Pass		
Suitability					
-	Defensive	No			
	Enterprising	Yes			
Stage 2: Determination of Intrinsic Value					
	EPSmg	4.9			
	MG Growth Estimate	9.60%			
	MG Value	\$135.9			
	MG Value based on 3% Growth	\$71.1			
	MG Value based on 0% Growth	\$41.7			
	Market Implied Growth Rate	2.119	6		
MG Opinion					
	Current Price	\$62.3	5		
	% of Intrinsic Value	45.889	6		
	Opinion	Undervalued			
Stage 3: Infor	mation for Further Research				
-	Net Current Asset Value (NCAV)	-\$0.6	8		
	PEmg	12.7	1		
	Current Ratio	1.9	9		
	PB Ratio	4.1			
	Dividend Yield	0.00%			
	Number of Consecutive Years of Dividend Growth		0		
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	Google Finance				
	Yahoo Finance GuruFocus	Seeking Alpha SEC Filings			

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.15	Next Fiscal Year Estimate	\$4.91
Feb15		Feb15	\$4.63
Feb14		Feb14	\$4.03
Feb13		Feb13	\$3.63
Feb12		Feb12	\$2.99
Feb11	\$3.07	Feb11	\$2.38
Feb10	\$2.30	Feb10	\$2.03
Feb09	\$1.64	Feb09	\$1.89
Feb08	\$2.10	Feb08	\$1.95
Feb07	\$2.09	Feb07	\$1.78
Feb06	\$1.92	Feb06	\$1.52
Feb05	\$1.65	Feb05	\$1.24
Feb04	\$1.31	Feb04	\$0.96
Feb03	\$1.00	Feb03	\$0.73
Feb02	\$0.74	Feb02	\$0.56
Feb01	\$0.59	Feb01	\$0.43
Feb00	\$0.46	Feb00	\$0.33
Feb99	\$0.34	Balance Sheet Information	May15
Feb98	\$0.26	Total Current Assets	\$3,930,701,000
Feb97	\$0.20	Total Current Liabilities	\$1,973,153,000
Feb96	\$0.15	Long-Term Debt	\$1,500,000,000
		Total Assets	\$6,599,077,000
		Intangible Assets	\$486,279,000
		Total Liabilities	\$4,046,881,000
		Charge Outstanding (Diluted Average)	171 122 000



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	The 12 Best Stocks For Value Investors This Week – 5/30/15	
	Bed Bath & Beyond Inc. Quarterly Valuation – May 2015 \$BBBY	
	27 Companies in the Spotlight This Week – 2/14/15	
	Bed Bath & Beyond Inc. Quarterly Valuation – February 2015 \$BBBY	
	Bed Bath & Beyond Quarterly Valuation – November 2014 \$BBBY	

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