

ModernGraham Valuation

Company Name:

Becton, Dickinson
and Co.

Company Ticker BDx

Date of Analysis

8/19/2015



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	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	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	Pass
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	5.50
MG Growth Estimate	0.97%
MG Value	\$57.33
MG Value based on 3% Growth	\$79.68
MG Value based on 0% Growth	\$46.71
Market Implied Growth Rate	9.09%

MG Opinion

Current Price	\$146.66
% of Intrinsic Value	255.80%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$62.92
PEmg	26.69
Current Ratio	1.40
PB Ratio	4.35
Dividend Yield	1.60%
Number of Consecutive Years of Dividend Growth	20

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	\$4.44	Next Fiscal Year Estimate	\$5.50
Sep14	\$5.99	Sep14	\$5.96
Sep13	\$6.49	Sep13	\$5.84
Sep12	\$5.59	Sep12	\$5.42
Sep11	\$5.62	Sep11	\$5.16
Sep10	\$5.49	Sep10	\$4.71
Sep09	\$4.99	Sep09	\$4.13
Sep08	\$4.46	Sep08	\$3.49
Sep07	\$3.49	Sep07	\$2.87
Sep06	\$2.93	Sep06	\$2.46
Sep05	\$2.77	Sep05	\$2.15
Sep04	\$1.77	Sep04	\$1.80
Sep03	\$2.07	Sep03	\$1.73
Sep02	\$1.79	Sep02	\$1.49
Sep01	\$1.49	Sep01	\$1.30
Sep00	\$1.49	Sep00	\$1.18
Sep99	\$1.04	Sep99	\$1.02
Sep98	\$0.90	Balance Sheet Information Jun15	
Sep97	\$1.15	Total Current Assets	\$6,303,000,000
Sep96	\$1.06	Total Current Liabilities	\$4,517,000,000
Sep95	\$0.90	Long-Term Debt	\$11,367,000,000
		Total Assets	\$27,079,000,000
		Intangible Assets	\$14,973,000,000
		Total Liabilities	\$19,826,000,000
		Shares Outstanding (Diluted Average)	214,928,000



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.

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[Thermo Fisher Scientific Inc. Analysis – 2015 Update \\$TMO](#)
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