

ModernGraham Valuation

Company Name:

Danaher Corporation

Company Ticker DHR

Date of Analysis

8/13/2015



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 Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Pass
5. Earnings Growth		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	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	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	3.62
MG Growth Estimate	6.79%
MG Value	\$79.86
MG Value based on 3% Growth	\$52.44
MG Value based on 0% Growth	\$30.74
Market Implied Growth Rate	8.24%

MG Opinion

Current Price	\$90.31
% of Intrinsic Value	113.09%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$4.49
PEmg	24.97
Current Ratio	1.91
PB Ratio	2.70
Dividend Yield	0.52%
Number of Consecutive Years of Dividend Growth	2

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	\$3.70	Next Fiscal Year Estimate	\$3.62
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	Balance Sheet Information Jun15	
Dec97	\$0.32	Total Current Assets	\$9,654,500,000
Dec96	\$0.43	Total Current Liabilities	\$5,055,600,000
Dec95	\$0.23	Long-Term Debt	\$3,052,700,000
		Total Assets	\$36,986,800,000
		Intangible Assets	\$24,032,400,000
		Total Liabilities	\$12,885,600,000
		Outstanding Shares	719,600,000



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:

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company**

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[40 Companies in the Spotlight This Week – 2/21/15](#)
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[Joy Global Inc. Analysis – August 2015 Update \\$JOY](#)
[Rockwell Automation Analysis – July 2015 Update \\$ROK](#)
[Caterpillar Inc. Analysis – 2015 Update \\$CAT](#)
[W.W. Grainger Inc. Analysis – July 2015 Update \\$GWW](#)
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