

ModernGraham Valuation

Company Name:

Company Ticker BSX

Date of Analysis

9/10/2015

Boston Scientific Corporation



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	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Fail
5. Earnings Growth		Fail
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	Fail
3. Earnings Stability	Positive EPS for 5 years prior	Fail
4. Dividend Record	Currently Pays Dividend	Fail
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.23
MG Growth Estimate	6.91%
MG Value	\$0.00
MG Value based on 3% Growth	-\$3.36
MG Value based on 0% Growth	-\$1.97
Market Implied Growth Rate	-40.40%

MG Opinion

Current Price	\$16.75
% of Intrinsic Value	N/A
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$4.97
Graham Number	\$7.64
PEmg	-72.30
Current Ratio	1.95
PB Ratio	3.47
Dividend Yield	0.00%
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	\$0.53	Next Fiscal Year Estimate	-\$0.23
Dec14	-\$0.09	Dec14	-\$0.64
Dec13	-\$0.09	Dec13	-\$0.88
Dec12	-\$2.89	Dec12	-\$1.21
Dec11	\$0.29	Dec11	-\$0.43
Dec10	-\$0.70	Dec10	-\$0.92
Dec09	-\$0.68	Dec09	-\$0.98
Dec08	-\$1.36	Dec08	-\$0.92
Dec07	-\$0.33	Dec07	-\$0.51
Dec06	-\$2.81	Dec06	-\$0.38
Dec05	\$0.75	Dec05	\$0.75
Dec04	\$1.24	Dec04	\$0.67
Dec03	\$0.56	Dec03	\$0.38
Dec02	\$0.45	Dec02	\$0.26
Dec01	-\$0.07	Dec01	\$0.16
Dec00	\$0.46	Dec00	\$0.24
Dec99	\$0.45	Dec99	\$0.13
Dec98	-\$0.34	Balance Sheet Information Jun15	
Dec97	\$0.18	Total Current Assets	\$3,773,000,000
Dec96	\$0.23	Total Current Liabilities	\$1,937,000,000
Dec95	\$0.02	Long-Term Debt	\$5,069,000,000
		Total Assets	\$17,123,000,000
		Intangible Assets	\$11,372,000,000
		Total Liabilities	\$10,543,000,000
		Shares Outstanding (Diluted Average)	1,361,800,000





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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company

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[Boston Scientific Corporation Annual Stock Valuation – 2014 \\$BSX](#)

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[Varian Medical Systems Inc Analysis – August 2015 Update \\$VAR](#)
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