

# ModernGraham Valuation

## Company Name:

Company Ticker SIAL

Date of Analysis

9/22/2015

Sigma-Aldrich 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	\$16,713,812,273	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	5.59	Pass
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	75.43%	Pass
6. Moderate PEmg Ratio	PEmg < 20	34.46	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.15	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	5.59	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.15	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.05
MG Growth Estimate	4.33%
<b>MG Value</b>	<b>\$69.46</b>
MG Value based on 3% Growth	\$58.70
MG Value based on 0% Growth	\$34.41
Market Implied Growth Rate	12.98%

### MG Opinion

Current Price	\$139.51
% of Intrinsic Value	200.85%
<b>Opinion</b>	<b>Overvalued</b>

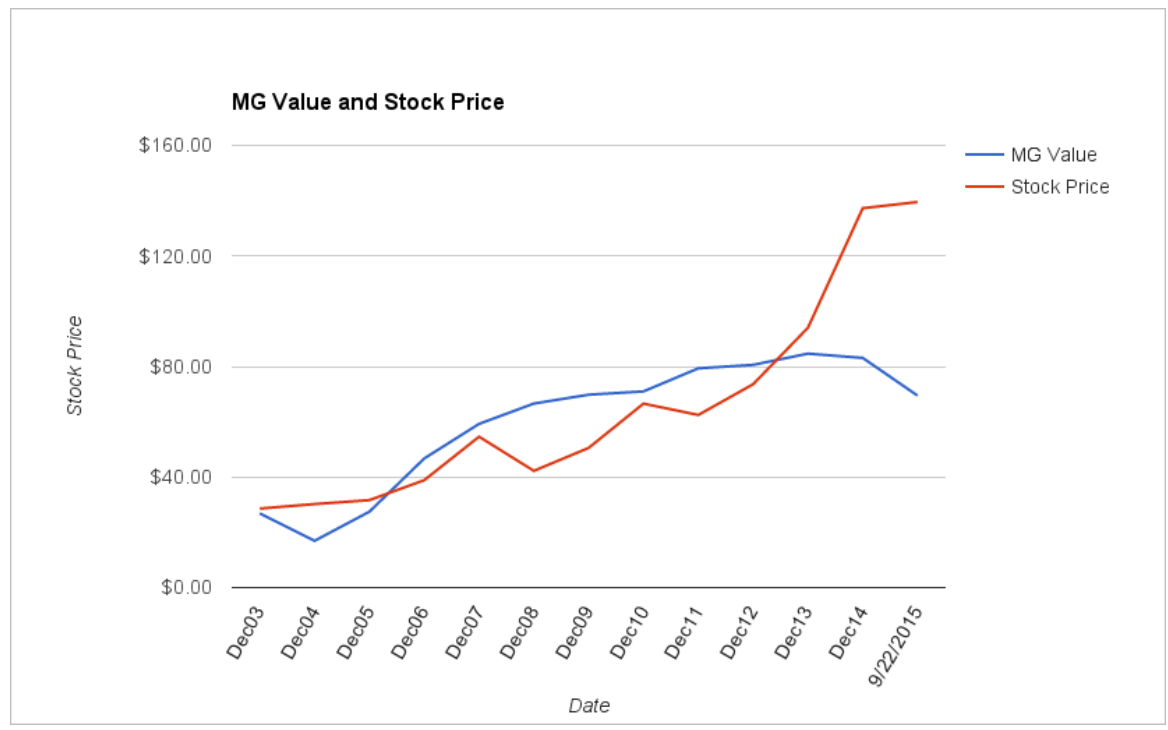
## Stage 3: Information for Further Research

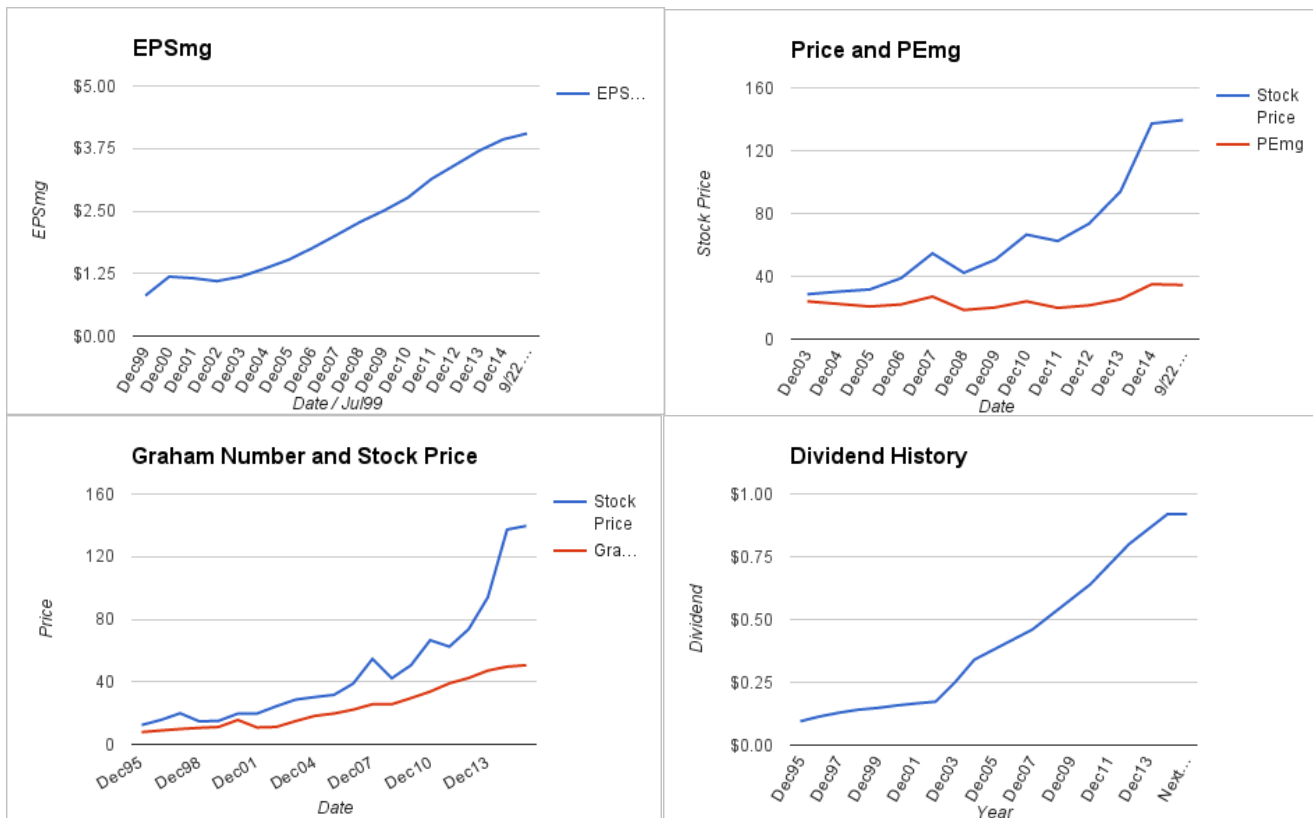
Net Current Asset Value (NCAV)	\$11.24
Graham Number	\$50.59
PEmg	34.46
Current Ratio	5.59
PB Ratio	5.15
Dividend Yield	0.66%
Number of Consecutive Years of Dividend Growth	20

### 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	\$4.12	Next Fiscal Year Estimate	\$4.05
Dec14	\$4.17	Dec14	\$3.93
Dec13	\$4.06	Dec13	\$3.71
Dec12	\$3.77	Dec12	\$3.42
Dec11	\$3.72	Dec11	\$3.14
Dec10	\$3.12	Dec10	\$2.77
Dec09	\$2.80	Dec09	\$2.51
Dec08	\$2.65	Dec08	\$2.28
Dec07	\$2.34	Dec07	\$2.02
Dec06	\$2.05	Dec06	\$1.76
Dec05	\$1.88	Dec05	\$1.52
Dec04	\$1.67	Dec04	\$1.35
Dec03	\$1.36	Dec03	\$1.19
Dec02	\$0.89	Dec02	\$1.10
Dec01	\$0.94	Dec01	\$1.16
Dec00	\$1.92	Dec00	\$1.19
Dec99	\$0.86	Dec99	\$0.81
Dec98	\$0.82	<b>Balance Sheet Information Jun15</b>	
Dec97	\$0.81	Total Current Assets	\$2,369,000,000
Dec96	\$0.74	Total Current Liabilities	\$424,000,000
Dec95	\$0.66	Long-Term Debt	\$300,000,000
		Total Assets	\$4,306,000,000
		Intangible Assets	\$1,035,000,000
		Total Liabilities	\$998,000,000
		Shares Outstanding (Diluted Average)	122,000,000





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**

- [Sigma-Aldrich Corporation Analysis – June 2015 Update \\$SIAL](#)
- [18 Companies in the Spotlight This Week – 3/15/15](#)
- [Sigma-Aldrich Corporation Quarterly Valuation – March 2015 \\$SIAL](#)
- [32 Companies in the Spotlight This Week – 12/6/14](#)
- [Sigma-Aldrich Corporation Quarterly Valuation – December 2014 \\$SIAL](#)

**Other ModernGraham posts about related companies**

- [FMC Corporation Analysis – September 2015 Update \\$FMC](#)
- [Eastman Chemical Company Analysis – September 2015 Update \\$EMN](#)
- [Ashland Inc. Analysis – Initial Coverage \\$ASH](#)
- [The Best Companies of the Chemicals Industry – August 2015](#)
- [LyondellBasell Industries Analysis – August 2015 Update \\$LYB](#)
- [Albemarle Corporation Analysis – Initial Coverage \\$ALB](#)
- [E I Du Pont de Nemours & Company Analysis – August 2015 Update \\$DD](#)
- [Dow Chemical Analysis – July 2015 Update \\$DOW](#)
- [Sigma-Aldrich Corporation Analysis – June 2015 Update \\$SIAL](#)
- [Eastman Chemical Company Analysis – June 2015 Quarterly Update \\$EMN](#)