ModernGraham Valuation

Company Name:

Bed Bath & Beyond Inc.



Company Ticker Date of Analysis

11/24/2015

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.

BBBY

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$9,168,687,656 Pass
2. Sufficiently Strong Financial Condition	on Current Ratio > 2	2.00 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10	

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	2.00 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.75 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	\$4.88
MG Growth Estimate	9.49%
MG Value	\$134.12
MG Value based on 3% Growth	\$70.79
MG Value based on 0% Growth	\$41.50
Market Implied Growth Rate	1.30%

MG Opinion

Current Price \$54.19
% of Intrinsic Value 40.40%
Opinion Undervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$0.51
Graham Number	\$41.94
PEmg	11.10
Current Ratio	2.00
PB Ratio	3.52
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

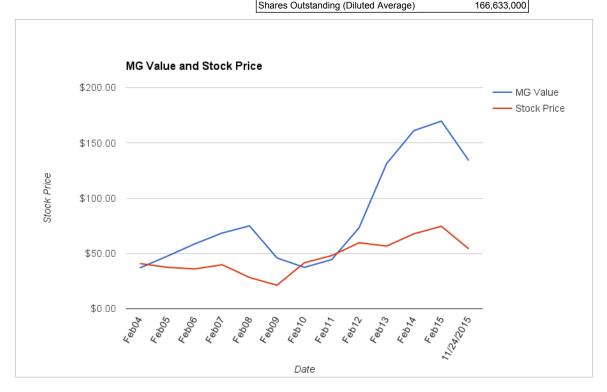
Useful Links: ModernGraham tagged articles Morningstar

 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History		
Next Fiscal Year Estimate	\$5.08	Next Fiscal Year Estimate		\$4.88
Feb15	\$5.07	Feb15		\$4.63
Feb14	\$4.79	Feb14		\$4.19
Feb13	\$4.56	Feb13		\$3.63
Feb12	\$4.06	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	Aug15	
Feb98	\$0.26	Total Current Assets	\$3,	997,892,000
Feb97	\$0.20	Total Current Liabilities	\$2,	003,199,000
Feb96	\$0.15	Long-Term Debt	\$1,	500,000,000
		Total Assets	\$6,	651,306,000
		Intangible Assets	\$	487,139,000
		Total Liabilities	\$4,	083,038,000
		Shares Outstanding (Diluted Average)		166.633.000





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

5 Undervalued Companies for Enterprising Investors Near 52 Week Lows – November 2015

10 Low PE Stocks for the Enterprising Investor – November 2015

The Best Companies of the Retail Industry – August 2015

15 Best Stocks For Value Investors This Week – 8/22/15

Bed Bath & Beyond Inc. Analysis – August 2015 Update \$BBBY

Other ModernGraham posts about related companies

Kohl's Corporation Valuation – November 2015 Update \$KSS

Aaron's Inc. Valuation – October 2015 Update \$AAN

Nordstrom Inc. Valuation – October 2015 Update \$JWN

Tractor Supply Company Valuation - October 2015 Update \$TSCO

Coach Inc. Valuation - October 2015 Update \$COH

Dollar Tree Stores Inc. Valuation – October 2015 Update \$DLTR

TJX Companies Inc. Valuation – October 2015 Update \$TJX

Tiffany and Company Valuation - October 2015 Update \$TIF

Urban Outfitters Inc. Analysis - October 2015 Update \$URBN

Staples Inc. Analysis – September 2015 Update \$SPLS