

# ModernGraham Valuation

## Company Name:

Company Ticker APD  
Date of Analysis

Air Products &  
Chemicals, Inc.

2/8/2016



## 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	\$28,080,319,780	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.80	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	51.83%	Pass
6. Moderate PEmg Ratio	PEmg < 20	22.06	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.92	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	0.80	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-5.36	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.93
MG Growth Estimate	3.02%
<b>MG Value</b>	<b>\$86.15</b>
MG Value based on 3% Growth	\$85.94
MG Value based on 0% Growth	\$50.38
Market Implied Growth Rate	6.78%

### MG Opinion

Current Price	\$130.75
% of Intrinsic Value	151.77%
<b>Opinion</b>	<b>Overvalued</b>

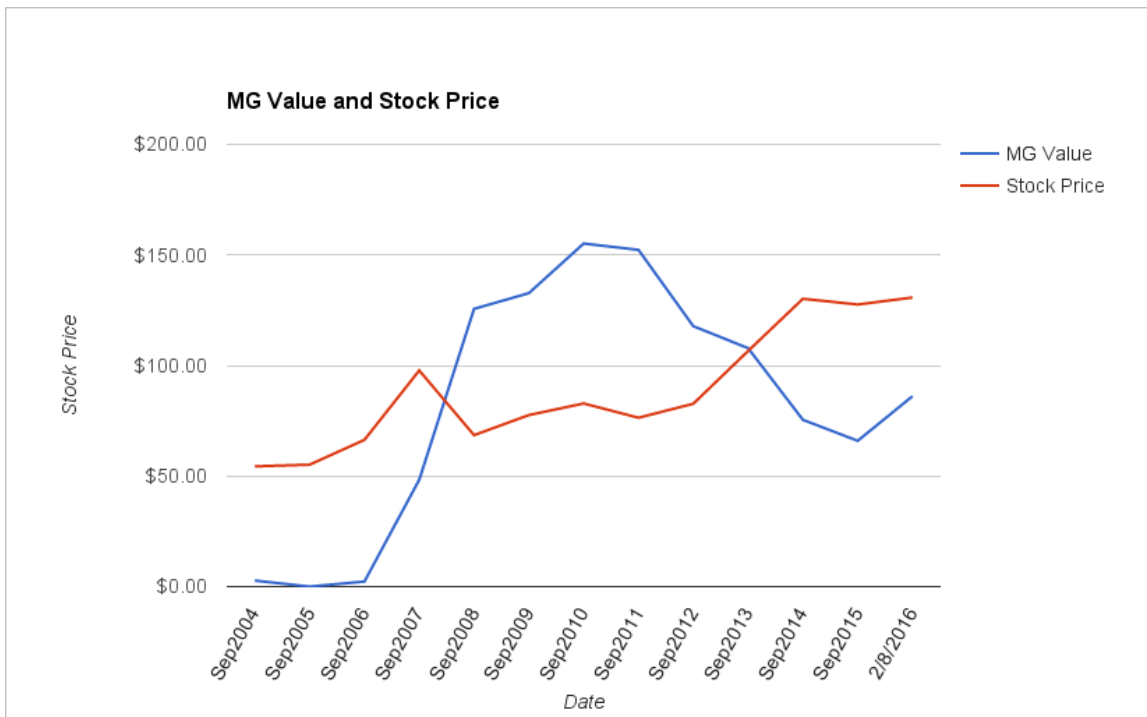
## Stage 3: Information for Further Research

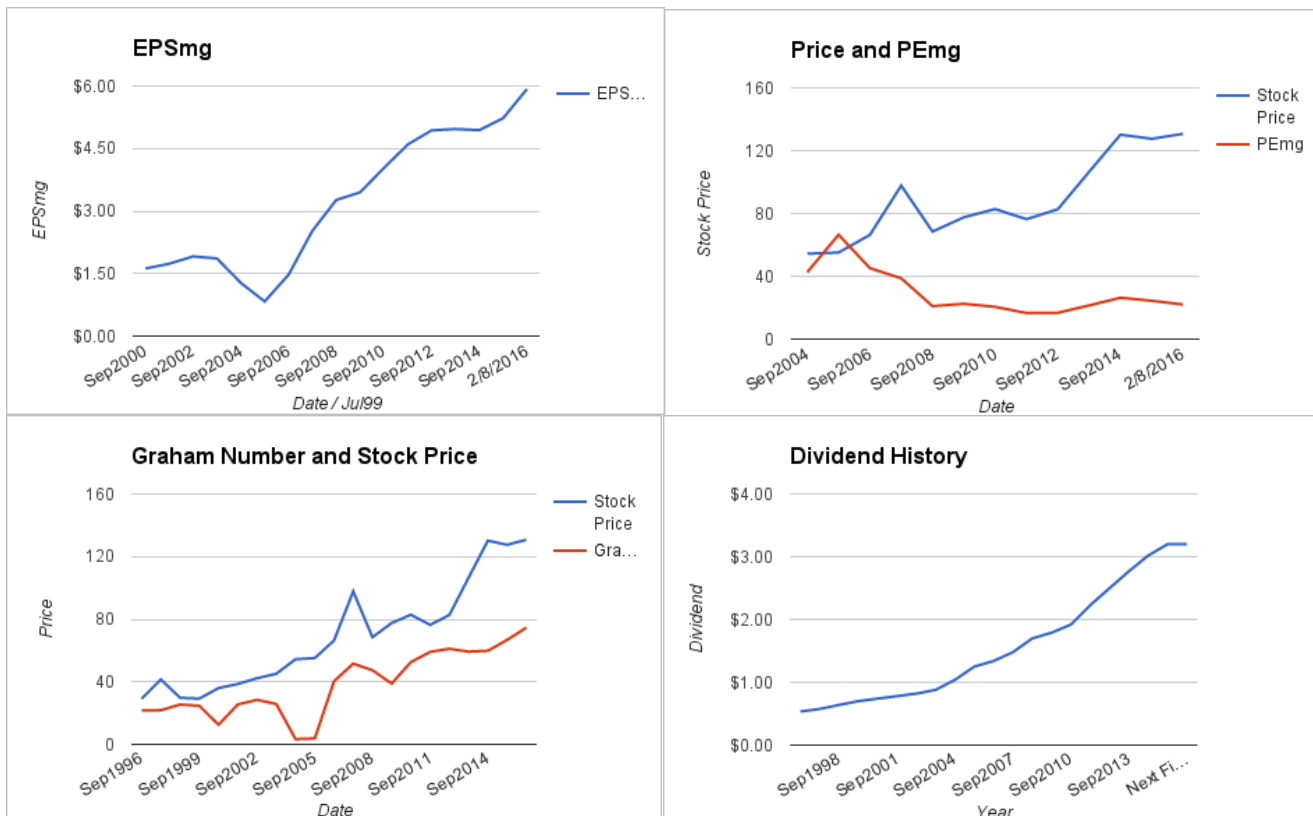
Net Current Asset Value (NCAV)	-\$33.45
Graham Number	\$74.61
PEmg	22.06
Current Ratio	0.80
PB Ratio	3.92
Dividend Yield	2.45%
Number of Consecutive Years of Dividend Growth	20

### 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	\$7.35	Next Fiscal Year Estimate	\$5.93
Sep2015	\$5.88	Sep2015	\$5.23
Sep2014	\$4.61	Sep2014	\$4.94
Sep2013	\$4.68	Sep2013	\$4.97
Sep2012	\$5.44	Sep2012	\$4.93
Sep2011	\$5.63	Sep2011	\$4.60
Sep2010	\$4.74	Sep2010	\$4.03
Sep2009	\$2.96	Sep2009	\$3.45
Sep2008	\$4.15	Sep2008	\$3.26
Sep2007	\$4.64	Sep2007	\$2.52
Sep2006	\$3.18	Sep2006	\$1.47
Sep2005	\$0.03	Sep2005	\$0.83
Sep2004	\$0.03	Sep2004	\$1.28
Sep2003	\$1.78	Sep2003	\$1.86
Sep2002	\$2.36	Sep2002	\$1.91
Sep2001	\$2.12	Sep2001	\$1.73
Sep2000	\$0.57	Sep2000	\$1.62
Sep1999	\$2.09	<b>Balance Sheet Information Sep2015</b>	
Sep1998	\$2.48	Total Current Assets	\$2,910,800,000
Sep1997	\$1.91	Total Current Liabilities	\$3,648,100,000
Sep1996	\$1.83	Long-Term Debt	\$3,949,100,000
		Total Assets	\$17,438,100,000
		Intangible Assets	\$1,639,600,000
		Total Liabilities	\$10,189,100,000
		Shares Outstanding (Diluted Average)	217,600,000





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:

Other ModernGraham posts about the company

[5 Speculative and Overvalued Companies to Avoid – December 2014](#)

Other ModernGraham posts about related companies

[FMC Corporation Valuation – January 2016 Update \\$FMC](#)  
[Eastman Chemical Co Valuation – January 2016 \\$EMN](#)  
[Ashland Inc Valuation – January 2016 Update \\$ASH](#)  
[LyondellBasell Industries Valuation – November 2015 Update \\$LYB](#)  
[Albemarle Corporation Valuation – November 2015 Update \\$ALB](#)  
[Dow Chemical Company Analysis – October 2015 Update \\$DOW](#)  
[Sigma-Aldrich Corporation Analysis – September 2015 Update \\$SIAL](#)  
[FMC Corporation Analysis – September 2015 Update \\$FMC](#)  
[Eastman Chemical Company Analysis – September 2015 Update \\$EMN](#)  
[Ashland Inc. Analysis – Initial Coverage \\$ASH](#)