

ModernGraham Valuation

Company Name:

Airgas, Inc.

Company Ticker ARG

Date of Analysis

2/15/2016



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	\$10,158,106,313 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.12 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	84.42% Pass
6. Moderate PEmg Ratio	PEmg < 20	30.24 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.19 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	1.12 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	12.51 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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.63
MG Growth Estimate	6.86%
MG Value	\$102.95
MG Value based on 3% Growth	\$67.17
MG Value based on 0% Growth	\$39.38
Market Implied Growth Rate	10.87%

MG Opinion

Current Price	\$140.10
% of Intrinsic Value	136.08%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

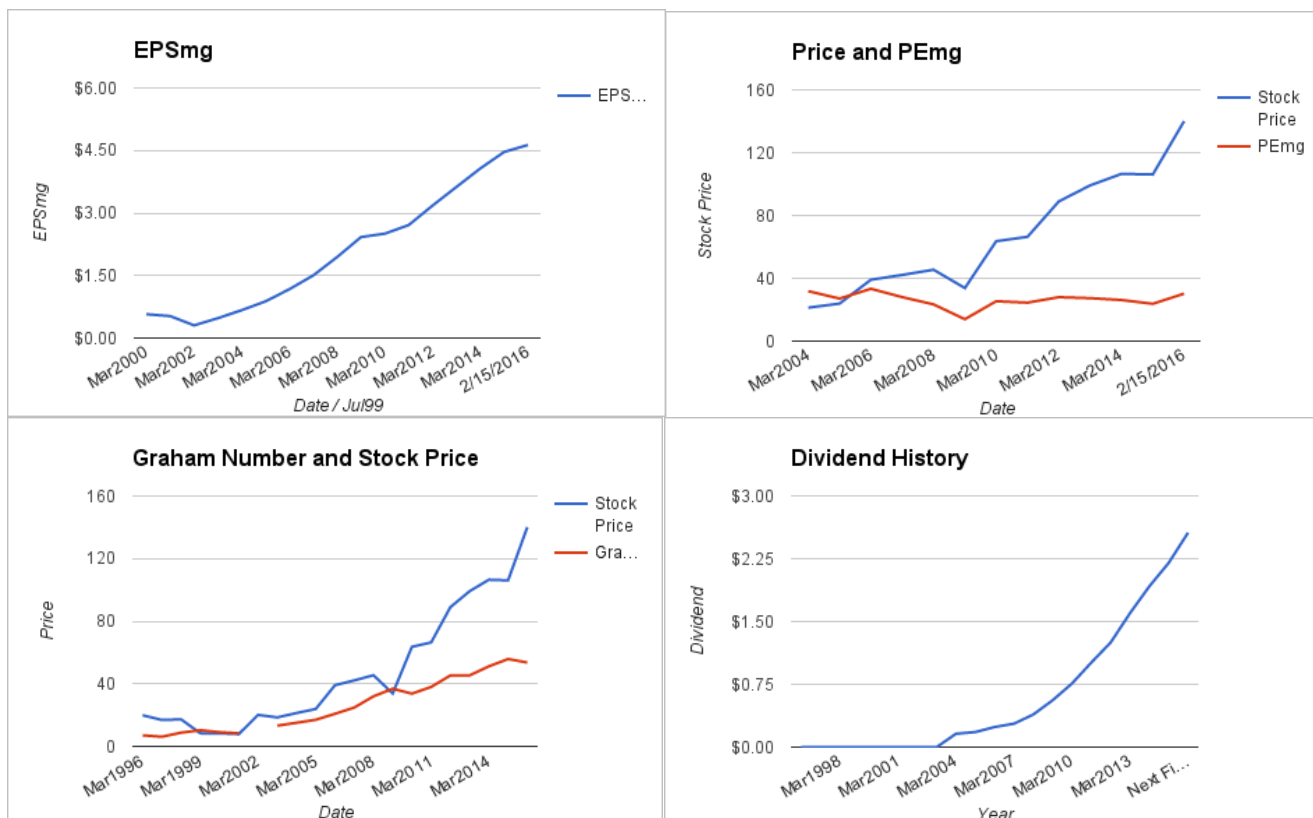
Net Current Asset Value (NCAV)	-\$37.90
Graham Number	\$53.59
PEmg	30.24
Current Ratio	1.12
PB Ratio	5.19
Dividend Yield	1.83%
Number of Consecutive Years of Dividend Growth	13

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Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.67	Next Fiscal Year Estimate	\$4.63
Mar2015	\$4.85	Mar2015	\$4.46
Mar2014	\$4.68	Mar2014	\$4.07
Mar2013	\$4.35	Mar2013	\$3.62
Mar2012	\$4.00	Mar2012	\$3.18
Mar2011	\$2.94	Mar2011	\$2.71
Mar2010	\$2.34	Mar2010	\$2.50
Mar2009	\$3.12	Mar2009	\$2.42
Mar2008	\$2.66	Mar2008	\$1.94
Mar2007	\$1.92	Mar2007	\$1.50
Mar2006	\$1.57	Mar2006	\$1.17
Mar2005	\$1.20	Mar2005	\$0.88
Mar2004	\$1.07	Mar2004	\$0.67
Mar2003	\$0.94	Mar2003	\$0.48
Mar2002	-\$0.15	Mar2002	\$0.30
Mar2001	\$0.42	Mar2001	\$0.53
Mar2000	\$0.54	Mar2000	\$0.57
Mar1999	\$0.72	Balance Sheet Information	
Mar1998	\$0.57	Dec2015	
Mar1997	\$0.34	Total Current Assets	\$1,434,447,000
Mar1996	\$0.60	Total Current Liabilities	\$1,278,350,000
		Long-Term Debt	\$1,953,450,000
		Total Assets	\$6,180,874,000
		Intangible Assets	\$1,618,861,000
		Total Liabilities	\$4,205,404,000
		Shares Outstanding (Diluted Average)	73,112,000





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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