ModernGraham Valuation

Company Name:

Baxter International Inc



Company Ticker Date of Analysis

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.

BAX

1. Ade	quate Size of the Enterprise	Market Cap > \$2Bil	\$19,289,225,443 Pass	S
2. Suffi	ciently Strong Financial Condition	Current Ratio > 2	1.86 Fail	
3. Earr	nings Stability	Positive EPS for 10 years prior	Pass	S
4. Divid	dend Record	Dividend Payments for 10 years prior	Pass	S
		Increase of 33% in EPS in past 10		

years using 3 year averages at beginning and end 24.96% Fail

5. Earnings Growth 6. Moderate PEmg Ratio PEmg < 20 10.86 Pass 7. Moderate Price to Assets PB Ratio < 2.5 OR PB*PEmg < 50 2.53 Pass

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	1.86 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.74 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

Defensive No Enterprising Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.31
MG Growth Estimate	0.33%
MG Value	\$30.34
MG Value based on 3% Growth	\$48.06
MG Value based on 0% Growth	\$28.17
Market Implied Growth Rate	1.18%

MG Opinion

Current Price \$36.01 % of Intrinsic Value 118.68%

Opinion Overvalued

Stage 3: Information for Further Research

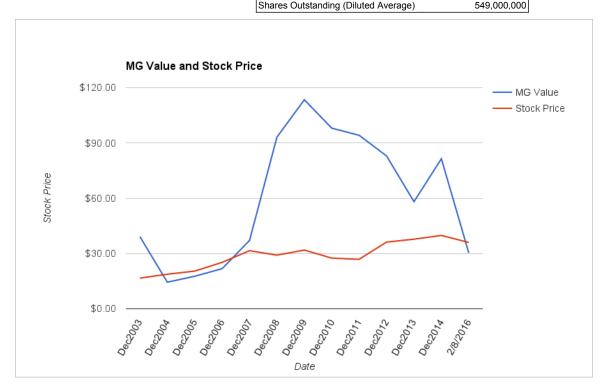
Net Current Asset Value (NCAV)	-\$2.20
Graham Number	\$23.06
PEmg	10.86
Current Ratio	1.86
PB Ratio	2.53
Dividend Yield	4.65%
Number of Consecutive Years of Dividend	0

Morningstar

Useful Links: ModernGraham tagged articles

Google Finance MSN Money Yahoo Finance Seeking Alpha SEC Filings GuruFocus

EPS History		EPSmg History	
Next Fiscal Year		in a sing motory	
Estimate	\$1.65	Next Fiscal Year Estimate	\$3.31
Dec2014	\$4.56	Dec2014	\$4.01
Dec2013	\$3.66	Dec2013	\$3.67
Dec2012	\$4.18	Dec2012	\$3.60
Dec2011	\$3.88	Dec2011	\$3.24
Dec2010	\$2.39	Dec2010	\$2.88
Dec2009	\$3.59	Dec2009	\$2.95
Dec2008	\$3.16	Dec2008	\$2.42
Dec2007	\$2.61	Dec2007	\$1.93
Dec2006	\$2.13	Dec2006	\$1.55
Dec2005	\$1.52	Dec2005	\$1.27
Dec2004	\$0.63	Dec2004	\$1.17
Dec2003	\$1.50	Dec2003	\$1.42
Dec2002	\$1.66	Dec2002	\$1.31
Dec2001	\$1.09	Dec2001	\$1.07
Dec2000	\$1.25	Dec2000	\$1.04
Dec1999	\$1.35	Dec1999	\$0.87
Dec1998	\$0.55	Balance Sheet Information	Sep2015
Dec1997	\$0.53	Total Current Assets	\$11,138,000,000
Dec1996	\$1.23	Total Current Liabilities	\$5,981,000,000
Dec1995	\$0.00	Long-Term Debt	\$3,791,000,000
		Total Assets	\$20,172,000,000
		Intangible Assets	\$4,128,000,000
		Total Liabilities	\$12,348,000,000
		Shares Outstanding (Diluted Average)	549.000.000





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 The Best Companies of the Medical Industry – September 2015

Baxter International Analysis – June 2015 Update \$BAX

18 Companies in the Spotlight This Week - 3/15/15

Baxter International Inc. Quarterly Valuation - March 2015 \$BAX

22 Companies in the Spotlight This Week – 11/29/14

Other ModernGraham posts about related companies Cerner Corporation Valuation – February 2016 Update \$CERN

Henry Schein Inc Valuation – February 2016 Update \$HSIC

Medtronic PLC Valuation – January 2016 Update \$MDT

PerkinElmer Inc Valuation - January 2016 Update \$PKI

Quest Diagnostics Inc Valuation – January 2016 Update \$DGX

Dentsply International Inc Valuation – November 2015 Update \$XRAY

UnitedHealth Group Inc. Valuation – November 2015 Update \$UNH

DaVita HealthCare Partners Inc Valuation – November 2015 Update \$DVA

Align Technology Inc. Valuation – November 2015 Update \$ALGN

Varian Medical Systems Inc. Valuation – November 2015 Update \$VAR