ModernGraham Valuation

Company Name: Henry Schein, Inc.

Company Ticker HSIC

Date of Analysis 2/1/2016

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	$12,542,455,827	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.74	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	137.00%	Pass
6. Moderate PEmg Ratio	PEmg < 20	29.32	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.36	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	1.74	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.45	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	$5.20
MG Growth Estimate	7.61%
MG Value	**$123.38**
MG Value based on 3% Growth	$75.41
MG Value based on 0% Growth	$44.21
Market Implied Growth Rate	10.41%

MG Opinion

Current Price		$152.50
% of Intrinsic Value		123.61%
Opinion	**Overvalued**	

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$3.71
Graham Number	$67.65
PEmg	29.32
Current Ratio	1.74
PB Ratio	4.36
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

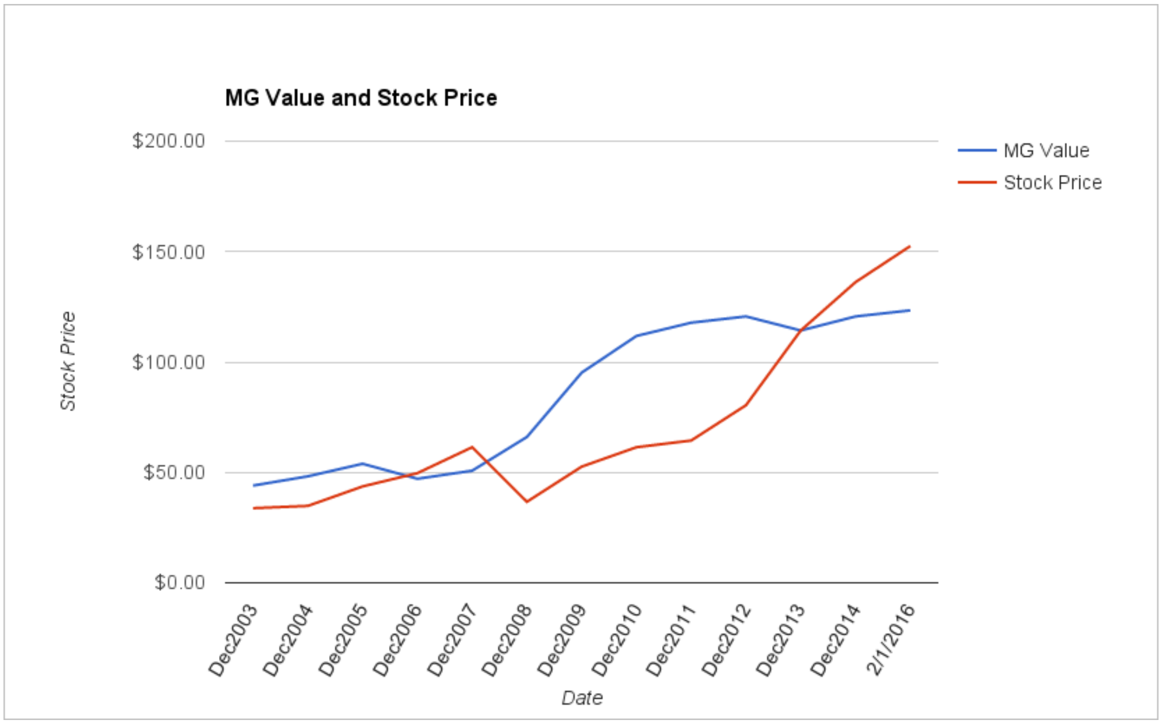
Useful Links:

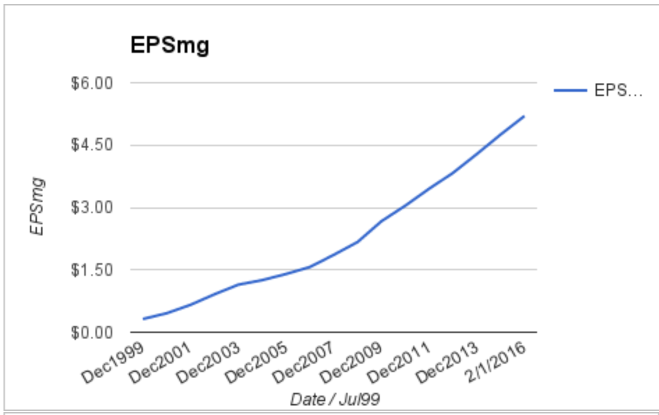
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

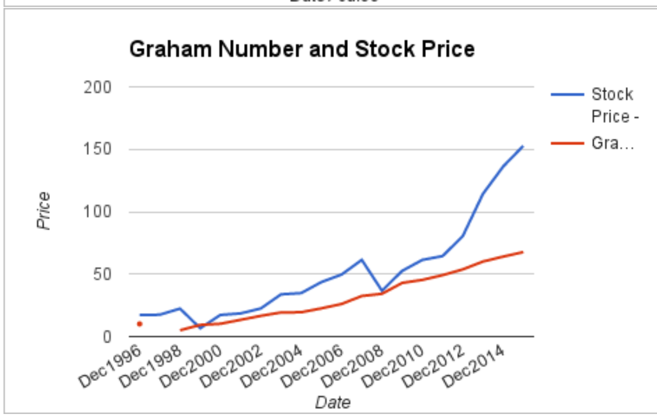
EPS History	
Next Fiscal Year Estimate	$5.77
Dec2014	$5.44
Dec2013	$4.93
Dec2012	$4.32
Dec2011	$3.97
Dec2010	$3.49
Dec2009	$3.44
Dec2008	$2.63
Dec2007	$2.36
Dec2006	$1.82
Dec2005	$1.58
Dec2004	$1.32
Dec2003	$1.44
Dec2002	$1.25
Dec2001	$1.00
Dec2000	$0.68
Dec1999	$0.61
Dec1998	$0.20
Dec1997	-$0.02
Dec1996	$0.51
Dec1995	$0.00

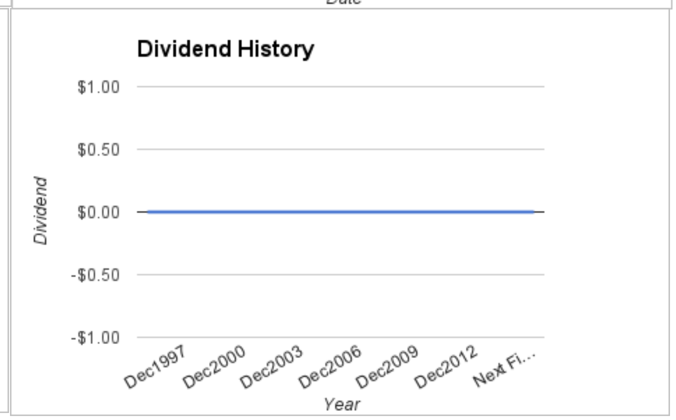
EPSmg History	
Next Fiscal Year Estimate	$5.20
Dec2014	$4.75
Dec2013	$4.28
Dec2012	$3.83
Dec2011	$3.45
Dec2010	$3.04
Dec2009	$2.67
Dec2008	$2.17
Dec2007	$1.86
Dec2006	$1.57
Dec2005	$1.40
Dec2004	$1.25
Dec2003	$1.14
Dec2002	$0.91
Dec2001	$0.66
Dec2000	$0.46
Dec1999	$0.32

Balance Sheet Information	Sep2015
Total Current Assets	$3,120,173,000
Total Current Liabilities	$1,797,281,000
Long-Term Debt	$597,106,000
Total Assets	$6,371,558,000
Intangible Assets	$2,516,778,000
Total Liabilities	$3,432,206,000
Shares Outstanding (Diluted Average)	84,084,000









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

- Henry Schein Inc. Valuation – October 2015 Update $HSIC
- The Best Companies of the Medical Industry – September 2015
- Henry Schein Inc. Analysis – Initial Coverage $HSIC

Other ModernGraham posts about related companies

- 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
- Psychemedics Corporation Valuation – November 2015 Update $PMD
- C.R. Bard Inc. Valuation – November 2015 Update $BCR