

ModernGraham Valuation



Company Name:

AmerisourceBergen Corp.

Company Ticker ABC

Date of Analysis

7/30/2016

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	\$18,259,502,620	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.93	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	95.38%	Pass
6. Moderate PEmg Ratio	PEmg < 20	31.39	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	8.77	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	0.93	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-2.57	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
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	\$2.71
MG Growth Estimate	2.49%
MG Value	\$36.60
MG Value based on 3% Growth	\$39.35
MG Value based on 0% Growth	\$23.07
Market Implied Growth Rate	11.44%

MG Opinion

Current Price	\$85.19
% of Intrinsic Value	232.78%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$36.52
Graham Number	\$38.23
PEmg	31.39
Current Ratio	0.93
PB Ratio	8.77
Current Dividend	\$1.26
Dividend Yield	1.48%
Number of Consecutive Years of Dividend Growth	11

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.64	Next Fiscal Year Estimate	\$2.71
Sep2015	-\$0.62	Sep2015	\$1.02
Sep2014	\$1.17	Sep2014	\$1.93
Sep2013	\$1.84	Sep2013	\$2.27
Sep2012	\$2.80	Sep2012	\$2.33
Sep2011	\$2.54	Sep2011	\$1.96
Sep2010	\$2.22	Sep2010	\$1.58
Sep2009	\$1.66	Sep2009	\$1.20
Sep2008	\$0.77	Sep2008	\$0.97
Sep2007	\$1.25	Sep2007	\$1.04
Sep2006	\$1.13	Sep2006	\$0.93
Sep2005	\$0.62	Sep2005	\$0.81
Sep2004	\$1.02	Sep2004	\$0.86
Sep2003	\$0.97	Sep2003	\$0.73
Sep2002	\$0.79	Sep2002	\$0.56
Sep2001	\$0.53	Sep2001	\$0.42
Sep2000	\$0.48	Sep2000	\$0.34
Sep1999	\$0.33	Balance Sheet Information 3/1/2016	
Sep1998	\$0.26	Total Current Assets	\$22,070,068,000
Sep1997	\$0.24	Total Current Liabilities	\$23,770,910,000
Sep1996	\$0.19	Long-Term Debt	\$4,368,586,000
		Total Assets	\$32,495,355,000
		Intangible Assets	\$9,028,488,000
		Total Liabilities	\$30,304,193,000
		Shares Outstanding (Diluted Average)	225,450,000





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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- [14 Companies in the Spotlight This Week – 4/5/14](#)
- [Amerisource Bergen \(ABC\) Annual Valuation – 2014](#)
- [14 Companies in the Spotlight This Week – 1/4/14](#)

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- [Bristol-Myers Squibb Company Valuation – February 2016 \\$BMY](#)
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