

ModernGraham Valuation

Company Name:

Company Ticker APD
Date of Analysis

Air Products &
Chemicals, Inc.

8/16/2016



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 | \$33,470,734,069 Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 0.92 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 | 14.98% Fail |
| 6. Moderate PEmg Ratio | PEmg < 20 | 34.09 Fail |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 4.74 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 | 0.92 Fail |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | -14.01 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 | Fail |

Suitability

| | |
|---------------------|-----------|
| Defensive | No |
| Enterprising | No |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|----------------|
| EPSmg | \$4.48 |
| MG Growth Estimate | -1.37% |
| MG Value | \$25.82 |
| MG Value based on 3% Growth | \$65.01 |
| MG Value based on 0% Growth | \$38.11 |
| Market Implied Growth Rate | 12.80% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$152.85 |
| % of Intrinsic Value | 591.91% |
| Opinion | Overvalued |
| MG Grade | C- |

Stage 3: Information for Further Research

| | |
|--|----------|
| Net Current Asset Value (NCAV) | -\$30.48 |
| Graham Number | \$47.02 |
| PEmg | 34.09 |
| Current Ratio | 0.92 |
| PB Ratio | 4.74 |
| Current Dividend | \$3.34 |
| Dividend Yield | 2.19% |
| Number of Consecutive Years of Dividend Growth | 20 |

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| EPS History | | EPSmg History | |
|---------------------------|--------|---|------------------|
| Next Fiscal Year Estimate | \$3.02 | Next Fiscal Year Estimate | \$4.48 |
| 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 | Balance Sheet Information 6/1/2016 | |
| Sep1998 | \$2.48 | Total Current Assets | \$3,378,800,000 |
| Sep1997 | \$1.91 | Total Current Liabilities | \$3,658,900,000 |
| Sep1996 | \$1.83 | Long-Term Debt | \$3,925,600,000 |
| | | Total Assets | \$17,083,500,000 |
| | | Intangible Assets | \$1,626,400,000 |
| | | Total Liabilities | \$10,038,100,000 |
| | | Shares Outstanding (Diluted Average) | 218,500,000 |





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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