

# ModernGraham Valuation

## Company Name:

Company Ticker TMO  
Date of Analysis

Thermo Fisher  
Scientific Inc.

11/30/2016



## 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	\$55,721,693,300	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.56	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	197.49%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	24.79	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.57	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	1.56	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.75	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.65
MG Growth Estimate	14.07%
<b>MG Value</b>	<b>\$207.06</b>
MG Value based on 3% Growth	\$81.95
MG Value based on 0% Growth	\$48.04
Market Implied Growth Rate	8.14%

### MG Opinion

Current Price	\$140.11
% of Intrinsic Value	67.67%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

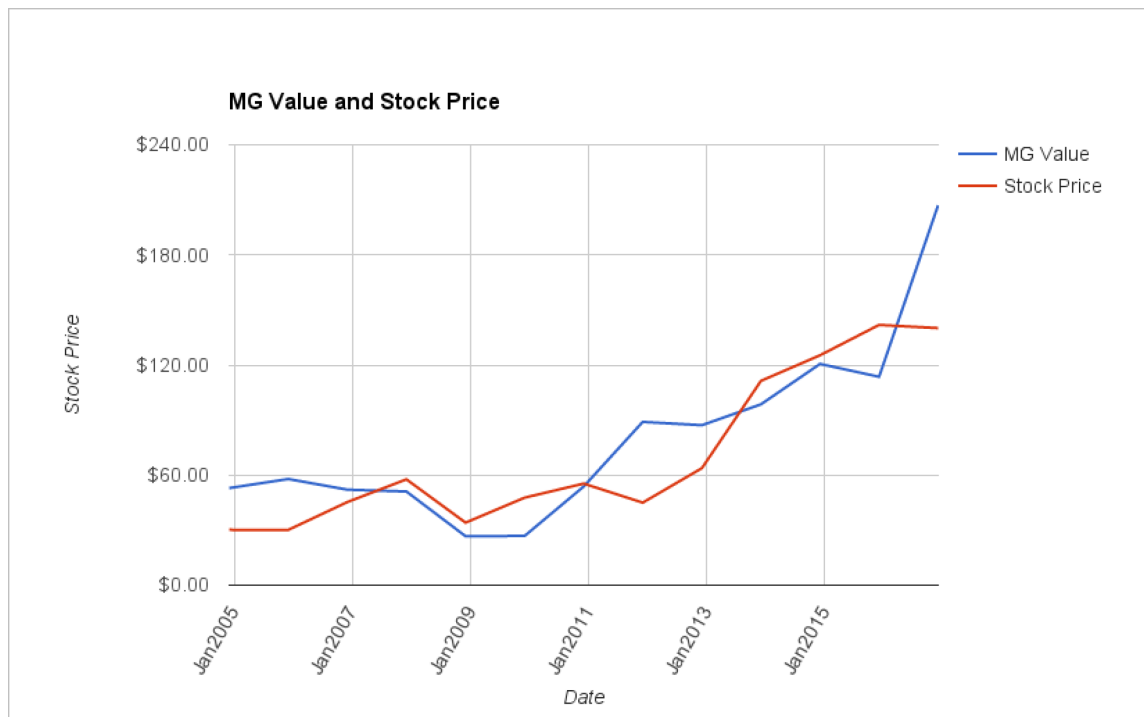
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$45.67
Graham Number	\$100.43
PEmg	24.79
Current Ratio	1.56
PB Ratio	2.57
Current Dividend	\$0.60
Dividend Yield	0.43%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

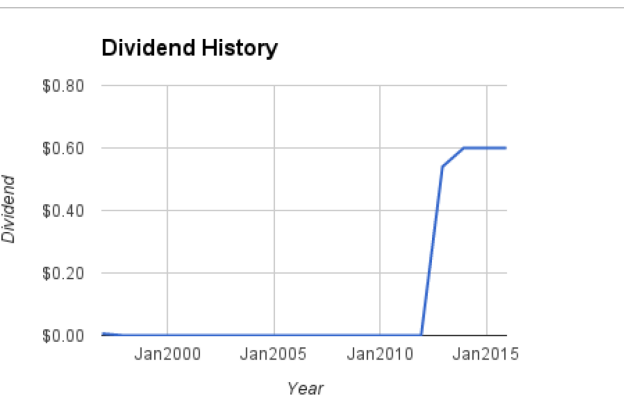
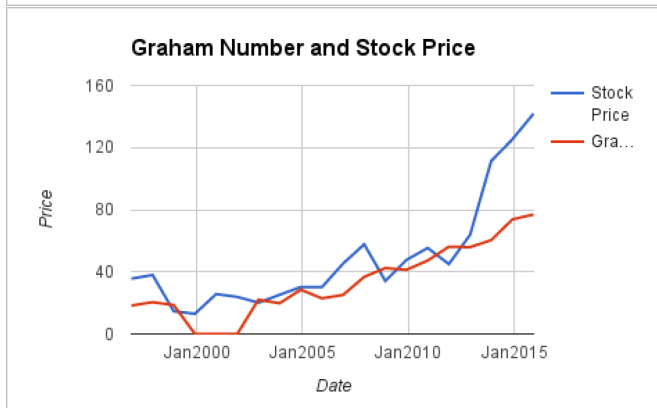
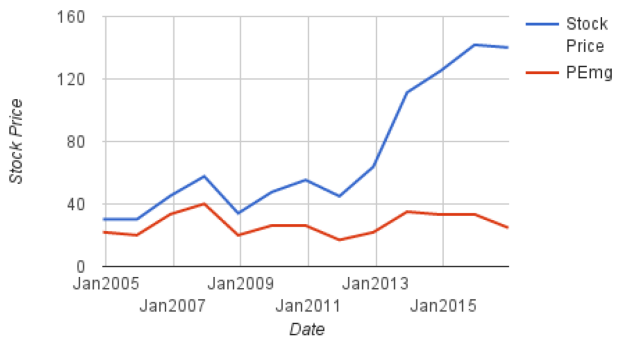
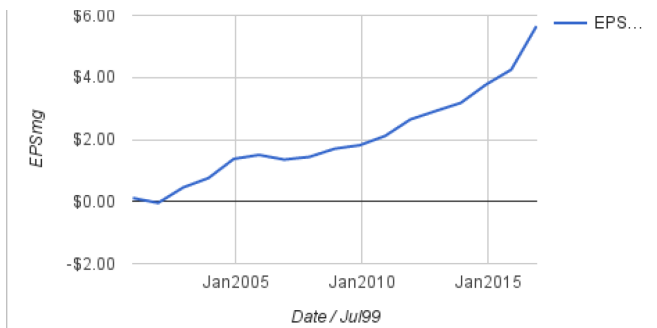
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$8.16	Next Fiscal Year Estimate	\$5.65
Dec2015	\$4.92	Dec2015	\$4.25
Dec2014	\$4.71	Dec2014	\$3.77
Dec2013	\$3.48	Dec2013	\$3.18
Dec2012	\$3.21	Dec2012	\$2.92
Dec2011	\$3.46	Dec2011	\$2.64
Dec2010	\$2.53	Dec2010	\$2.11
Dec2009	\$2.01	Dec2009	\$1.82
Dec2008	\$2.25	Dec2008	\$1.70
Dec2007	\$1.72	Dec2007	\$1.44
Dec2006	\$0.84	Dec2006	\$1.35
Dec2005	\$1.36	Dec2005	\$1.50
Dec2004	\$2.17	Dec2004	\$1.37
Dec2003	\$1.20	Dec2003	\$0.76
Dec2002	\$1.73	Dec2002	\$0.46
Dec2001	\$0.00	Dec2001	-\$0.04
Dec2000	-\$0.22	Dec2000	\$0.11
Dec1999	-\$1.12	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$1.08	Total Current Assets	\$8,204,400,000
Dec1997	\$1.41	Total Current Liabilities	\$5,259,900,000
Dec1996	\$1.22	Long-Term Debt	\$16,940,400,000
		Total Assets	\$48,010,700,000
		Intangible Assets	\$36,102,400,000
		Total Liabilities	\$26,352,100,000
		Shares Outstanding (Diluted Average)	397,400,000



EPSmg

Price and PEmg



**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**  
[Thermo Fisher Scientific Inc. Analysis – 2015 Update \\$TMO](#)  
[19 Companies in the Spotlight This Week – 8/9/14](#)  
[Thermo Fisher Scientific Inc. Annual Valuation – 2014 \\$TMO](#)

**Other ModernGraham posts about related companies**  
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[Edwards Lifesciences Corp Valuation – August 2016 \\$EW](#)  
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