

# ModernGraham Valuation

## Company Name:

Company Ticker APD

Date of Analysis

1/27/2017

Air Products &  
Chemicals, Inc.



## 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	\$30,857,525,629	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.31	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	26.75%	Fail
5. Earnings Growth	PEmg < 20	28.58	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.37	Fail
7. Moderate Price to Assets			

*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	1.31	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.76	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
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.96
MG Growth Estimate	-0.03%
<b>MG Value</b>	<b>\$41.85</b>
MG Value based on 3% Growth	\$71.87
MG Value based on 0% Growth	\$42.13
Market Implied Growth Rate	10.04%

### MG Opinion

Current Price	\$141.65
% of Intrinsic Value	338.45%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$30.50
Graham Number	\$67.68
PEmg	28.58
Current Ratio	1.31
PB Ratio	4.37
Current Dividend	\$3.39
Dividend Yield	2.39%
Number of Consecutive Years of Dividend Growth	20

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<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.25	Next Fiscal Year Estimate	\$4.96
Sep2016	\$2.89	Sep2016	\$4.44
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	<b>Balance Sheet Information 9/1/2016</b>	
Sep1999	\$2.09	Total Current Assets	\$4,317,300,000
Sep1998	\$2.48	Total Current Liabilities	\$3,283,300,000
Sep1997	\$1.91	Long-Term Debt	\$4,918,100,000
		Total Assets	\$18,055,300,000
		Intangible Assets	\$1,638,200,000
		Total Liabilities	\$10,975,700,000
		Shares Outstanding (Diluted Average)	218,300,000





**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:**

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ModernGraham  
posts about the  
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[5 Speculative and Overvalued Companies to Avoid – December 2014](#)  
[27 Companies in the Spotlight This Week – 12/20/14](#)  
[Air Products & Chemicals Inc. Annual Valuation – 2014 \\$APD](#)

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[Innophos Holdings Inc Valuation – Initial Coverage \\$IPHS](#)  
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[Chemtrade Logistics Income Fund Valuation – Initial Coverage \\$TSE:CHE.UN](#)  
[Albemarle Corporation Valuation – August 2016 \\$ALB](#)  
[Air Products & Chemicals Inc Valuation – August 2016 \\$APD](#)  
[Ashland Inc Valuation – July 2016 \\$ASH](#)  
[FMC Corporation Valuation – July 2016 \\$FMC](#)  
[Eastman Chemical Company Valuation – July 2016 \\$EMN](#)  
[Dow Chemical Co Valuation – July 2016 \\$DOW](#)