

ModernGraham Valuation

Company Name:

Company Ticker BDX

Date of Analysis

1/7/2017

Becton Dickinson and
Co



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	\$36,470,771,094	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.45	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	-10.71%	Fail
5. Earnings Growth	PEmg < 20	34.04	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.78	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	1.45	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.36	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	\$4.93
MG Growth Estimate	-2.34%
MG Value	\$18.86
MG Value based on 3% Growth	\$71.51
MG Value based on 0% Growth	\$41.92
Market Implied Growth Rate	12.77%

MG Opinion

Current Price	\$167.89
% of Intrinsic Value	890.18%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$53.26
Graham Number	\$66.55
PEmg	34.04
Current Ratio	1.45
PB Ratio	4.78
Current Dividend	\$2.64
Dividend Yield	1.57%
Number of Consecutive Years of Dividend Growth	20

Useful Links:

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

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.50	Next Fiscal Year Estimate	\$4.93
Sep2016	\$4.49	Sep2016	\$4.83
Sep2015	\$3.35	Sep2015	\$5.13
Sep2014	\$5.99	Sep2014	\$5.96
Sep2013	\$6.49	Sep2013	\$5.84
Sep2012	\$5.59	Sep2012	\$5.42
Sep2011	\$5.62	Sep2011	\$5.16
Sep2010	\$5.49	Sep2010	\$4.71
Sep2009	\$4.99	Sep2009	\$4.13
Sep2008	\$4.46	Sep2008	\$3.49
Sep2007	\$3.49	Sep2007	\$2.87
Sep2006	\$2.93	Sep2006	\$2.46
Sep2005	\$2.77	Sep2005	\$2.15
Sep2004	\$1.77	Sep2004	\$1.80
Sep2003	\$2.07	Sep2003	\$1.73
Sep2002	\$1.79	Sep2002	\$1.49
Sep2001	\$1.49	Sep2001	\$1.30
Sep2000	\$1.49	Balance Sheet Information 9/1/2016	
Sep1999	\$1.04	Total Current Assets	\$6,367,000,000
Sep1998	\$0.90	Total Current Liabilities	\$4,400,000,000
Sep1997	\$1.15	Long-Term Debt	\$10,550,000,000
		Total Assets	\$25,586,000,000
		Intangible Assets	\$13,770,000,000
		Total Liabilities	\$17,953,000,000
		Shares Outstanding (Diluted Average)	217,536,000





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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[Becton Dickinson and Company Quarterly Valuation – May 2015 \\$BDX](#)
[34 Companies in the Spotlight This Week – 2/7/15](#)
[Becton, Dickinson and Company Quarterly Valuation – February 2015 \\$BDX](#)

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[Thermo Fisher Scientific Inc Valuation – December 2016 \\$TMO](#)
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[Thermo Fisher Scientific Inc Valuation – November 2016 \\$TMO](#)
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