# **ModernGraham Valuation**

## **Company Name:**

Becton Dickinson and Co



Company Ticker Date of Analysis

1/7/2017

### 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.

BDX

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	

5. Earnings Growth -10.71% Fail beginning and end 6. Moderate PEmg Ratio PEmg < 20 34.04 Fail 7. Moderate Price to Assets PB Ratio < 2.5 OR PB\*PEmg < 50 4.78 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

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
Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

MG Opinion

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%

% of Intrinsic Value

**Current Price** \$167.89 890.18%

Opinion Overvalued MG Grade

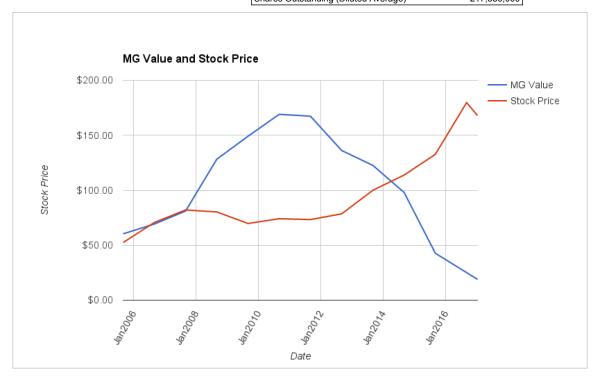
#### Stage 3: Information for Further Research

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 **SEC Filings GuruFocus** 

EPS History		EPSmg History	
Next Fiscal Year	<b>\$5.50</b>	Next Fines Week Fetinests	<b>64.00</b>
Estimate	****	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:**

Other ModernGraham posts about the company Becton Dickinson & Company Analysis - August 2015 Update \$BDX

30 Companies in the Spotlight This Week – 5/23/15

Becton Dickinson and Company Quarterly Valuation - May 2015 \$BDX

 $\underline{34}$  Companies in the Spotlight This Week –  $\underline{2/7/15}$ 

Becton, Dickinson and Company Quarterly Valuation - February 2015 \$BDX

Other ModernGraham posts about related companies Select Medical Holdings Corp Valuation – Initial Coverage \$SEM

<u>Chemed Corporation Valuation – Initial Coverage \$CHE</u>

<u>Inogen Inc Valuation – Initial Coverage \$INGN</u>

Surgical Care Affiliates Inc Valuation – Initial Coverage \$SCAl
Thermo Fisher Scientific Inc Valuation – December 2016 \$TMO

Illumina Inc Valuation - Initial Coverage \$ILMN

Thermo Fisher Scientific Inc Valuation - November 2016 \$TMO

Waters Corporation Valuation – November 2016 \$WAT Align Technology Inc Valuation – August 2016 \$ALGN HCA Holdings Inc Valuation – August 2016 \$HCA