ModernGraham Valuation

Company Name:

Boston Scientific Corporation



\$32,296,210,162 Pass

Company Ticker
Date of Analysis

1/27/2017

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.

1. Adequate Size of the Enterprise

BSX

2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.05 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	-107.59% Fail
Moderate PEmg Ratio	PEmg < 20	-197.90 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.08 Fail

Market Cap > \$2Bil

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	1.05 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	31.34 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Fail
Dividend Record	Currently Pays Dividend	Fail
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

\$23.88

Score

Suitability

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.12
MG Growth Estimate	13.50%
MG Value	\$0.00
MG Value based on 3% Growth	-\$1.75
MG Value based on 0% Growth	-\$1.03
Market Implied Growth Rate	-103.20%

MG Opinion

Current Price
% of Intrinsic Value N/A

Opinion Overvalued MG Grade D

Stage 3: Information for Further Research

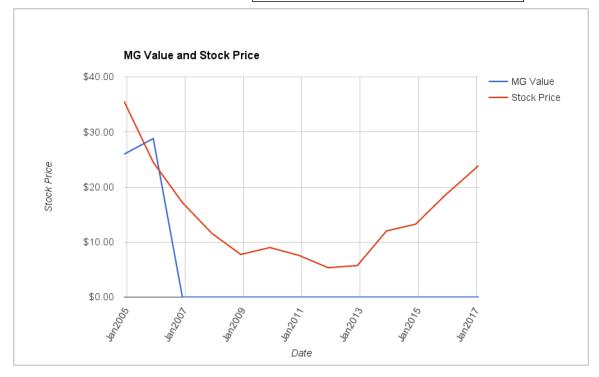
Net Current Asset Value (NCAV)	-\$5.82
Graham Number	\$6.94
PEmg	-197.90
Current Ratio	1.05
PB Ratio	5.08
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend	•
Growth	0

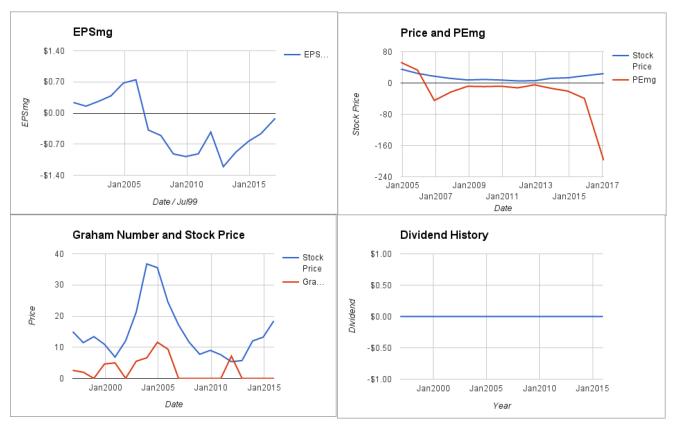
Useful Links: ModernGraham tagged articles

Google FinanceMSN MoneyYahoo FinanceSeeking AlphaGuruFocusSEC Filings

Morningstar

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	• • • • • • • • • • • • • • • • • • • •	Next Fiscal Year Estimate	-\$0.12
Dec2015	-\$0.18	Dec2015	-\$0.47
Dec2014	-\$0.09	Dec2014	-\$0.64
Dec2013	-\$0.09	Dec2013	-\$0.88
Dec2012	-\$2.89	Dec2012	-\$1.21
Dec2011	\$0.29	Dec2011	-\$0.43
Dec2010	-\$0.70	Dec2010	-\$0.92
Dec2009	-\$0.68	Dec2009	-\$0.98
Dec2008	-\$1.36	Dec2008	-\$0.92
Dec2007	-\$0.33	Dec2007	-\$0.51
Dec2006	-\$2.81	Dec2006	-\$0.38
Dec2005	\$0.75	Dec2005	\$0.75
Dec2004	\$1.24	Dec2004	\$0.67
Dec2003	\$0.56	Dec2003	\$0.38
Dec2002	\$0.45	Dec2002	\$0.26
Dec2001	-\$0.07	Dec2001	\$0.15
Dec2000	\$0.46	Dec2000	\$0.24
Dec1999	\$0.45	Balance Sheet Information	9/1/2016
Dec1998	-\$0.34	Total Current Assets	\$3,181,000,000
Dec1997	\$0.14	Total Current Liabilities	\$3,016,000,000
Dec1996	\$0.21	Long-Term Debt	\$5,171,000,000
		Total Assets	\$17,697,000,000
		Intangible Assets	\$12,336,000,000
		Total Liabilities	\$11,215,000,000
		Shares Outstanding (Diluted Average)	1,379,700,000





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 Boston Scientific Inc. Analysis - September 2015 Update \$BSX

23 Companies to Research This Week - 9/13/14

Boston Scientific Corporation Annual Stock Valuation – 2014 \$BSX

Other ModernGraham posts about related companies

Centene Corp Valuation - Initial Coverage \$CNC

Invacare Corporation Valuation - Initial Coverage \$IVC

Becton Dickinson and Co Valuation - January 2017 \$BDX

Select Medical Holdings Corp Valuation – Initial Coverage \$SEM

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

Inogen Inc Valuation - Initial Coverage \$INGN

<u>Surgical Care Affiliates Inc Valuation – Initial Coverage \$SCAI</u>

Thermo Fisher Scientific Inc Valuation – December 2016 \$TMO

Illumina Inc Valuation – Initial Coverage \$ILMN

<u>Thermo Fisher Scientific Inc Valuation – November 2016 \$TMO</u>