

ModernGraham Valuation

Company Name:

Danaher Corporation

Company Ticker DHR

Date of Analysis

2/25/2017



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	Market Cap > \$2Bil	\$60,206,171,376	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.97	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	93.54%	Pass
5. Earnings Growth	PEmg < 20	21.76	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.62	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	0.97	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-46.31	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.96
MG Growth Estimate	3.24%
MG Value	\$59.28
MG Value based on 3% Growth	\$57.35
MG Value based on 0% Growth	\$33.62
Market Implied Growth Rate	6.63%

MG Opinion

Current Price	\$86.08
% of Intrinsic Value	145.20%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$22.33
Graham Number	\$53.93
PEmg	21.76
Current Ratio	0.97
PB Ratio	2.62
Current Dividend	\$0.57
Dividend Yield	0.66%
Number of Consecutive Years of Dividend Growth	4

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		Next Fiscal Year Estimate	
	\$3.89		\$3.96
Dec2016	\$3.65	Dec2016	\$3.94
Dec2015	\$4.74	Dec2015	\$3.96
Dec2014	\$3.63	Dec2014	\$3.49
Dec2013	\$3.80	Dec2013	\$3.25
Dec2012	\$3.36	Dec2012	\$2.84
Dec2011	\$3.11	Dec2011	\$2.49
Dec2010	\$2.64	Dec2010	\$2.13
Dec2009	\$1.73	Dec2009	\$1.85
Dec2008	\$1.98	Dec2008	\$1.83
Dec2007	\$2.10	Dec2007	\$1.65
Dec2006	\$1.74	Dec2006	\$1.32
Dec2005	\$1.38	Dec2005	\$1.03
Dec2004	\$1.15	Dec2004	\$0.81
Dec2003	\$0.84	Dec2003	\$0.61
Dec2002	\$0.47	Dec2002	\$0.48
Dec2001	\$0.50	Dec2001	\$0.47
Dec2000	\$0.56	Balance Sheet Information 12/1/2016	
Dec1999	\$0.45	Total Current Assets	\$6,665,100,000
Dec1998	\$0.33	Total Current Liabilities	\$6,874,000,000
Dec1997	\$0.32	Long-Term Debt	\$9,674,200,000
		Total Assets	\$45,295,300,000
		Intangible Assets	\$35,644,900,000
		Total Liabilities	\$22,292,500,000
		Shares Outstanding (Diluted Average)	699,800,000





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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posts about the
company

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[Danaher Corporation Analysis – August 2015 Update \\$DHR](#)
[47 Companies in the Spotlight This Week – 5/16/15](#)
[Danaher Corporation Quarterly Valuation – May 2015 \\$DHR](#)
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[SurModics Inc Valuation – Initial Coverage \\$SRDX](#)
[Agilent Technologies Inc Valuation – February 2017 \\$A](#)
[Cooper Companies Inc Valuation – Initial Coverage \\$COO](#)
[Edwards Lifesciences Corp Valuation – January 2017 \\$EW](#)
[Baxter International Inc Valuation – January 2017 \\$BAX](#)
[CONMED Corporation Valuation – Initial Coverage \\$CNMD](#)
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