

ModernGraham Valuation



Patterson Companies,
Inc.

Company Name:

Company Ticker PDCO

Date of Analysis

4/8/2017

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	\$4,306,984,884	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.89	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	14.92%	Fail
5. Earnings Growth	PEmg < 20	22.84	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.06	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	1.89	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.13	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.95
MG Growth Estimate	0.25%
MG Value	\$17.54
MG Value based on 3% Growth	\$28.26
MG Value based on 0% Growth	\$16.56
Market Implied Growth Rate	7.17%

MG Opinion

Current Price	\$44.51
% of Intrinsic Value	253.77%
Opinion	Overvalued
MG Grade	C+

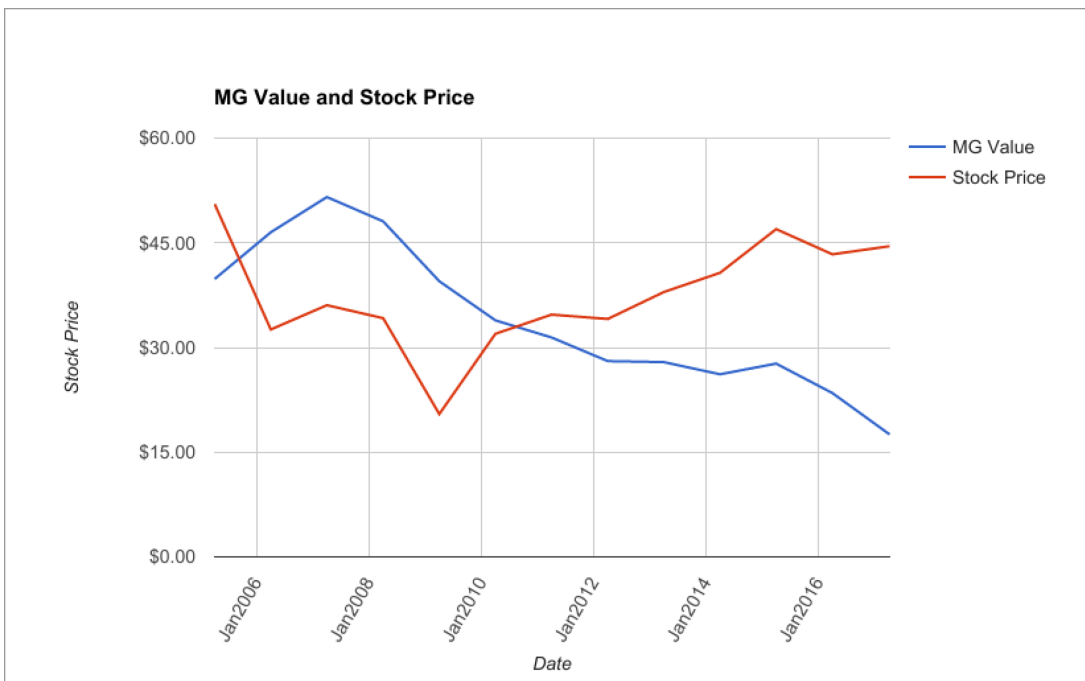
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$3.53
Graham Number	\$23.91
PEmg	22.84
Current Ratio	1.89
PB Ratio	3.06
Current Dividend	\$0.96
Dividend Yield	2.16%
Number of Consecutive Years of Dividend Growth	8

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	\$1.78	Next Fiscal Year Estimate	\$1.95
Apr2016	\$1.91	Apr2016	\$2.03
Apr2015	\$2.24	Apr2015	\$2.06
Apr2014	\$1.97	Apr2014	\$1.95
Apr2013	\$2.03	Apr2013	\$1.92
Apr2012	\$1.92	Apr2012	\$1.84
Apr2011	\$1.89	Apr2011	\$1.77
Apr2010	\$1.78	Apr2010	\$1.68
Apr2009	\$1.69	Apr2009	\$1.59
Apr2008	\$1.69	Apr2008	\$1.50
Apr2007	\$1.51	Apr2007	\$1.35
Apr2006	\$1.43	Apr2006	\$1.21
Apr2005	\$1.32	Apr2005	\$1.03
Apr2004	\$1.08	Apr2004	\$0.84
Apr2003	\$0.88	Apr2003	\$0.68
Apr2002	\$0.70	Apr2002	\$0.55
Apr2001	\$0.57	Apr2001	\$0.45
Apr2000	\$0.48	Balance Sheet Information 1/1/2017	
Apr1999	\$0.37	Total Current Assets	\$1,871,216,000
Apr1998	\$0.31	Total Current Liabilities	\$988,453,000
Apr1997	\$0.25	Long-Term Debt	\$1,001,775,000
		Total Assets	\$3,594,062,000
		Intangible Assets	\$1,247,480,000
		Total Liabilities	\$2,207,987,000
		Shares Outstanding (Diluted Average)	95,359,000





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**
- [Patterson Companies Inc Stock Valuation – February 2016 \\$PDCO](#)
 - [Patterson Companies Inc. Analysis – September 2015 Update \\$PDCO](#)
 - [Patterson Companies Analysis – June 2015 Update \\$PDCO](#)
 - [18 Companies in the Spotlight This Week – 3/15/15](#)
 - [Patterson Companies Inc. Quarterly Valuation – March 2015 \\$PDCO](#)

- Other ModernGraham posts about related companies**
- [Luminex Corp Valuation – Initial Coverage \\$LMNX](#)
 - [C R Bard Inc Valuation – March 2017 \\$BCR](#)
 - [LHC Group Inc Valuation – Initial Coverage \\$LHCG](#)
 - [Dentsply Sirona Inc Valuation – March 2017 \\$XRAY](#)
 - [Landauer Inc Valuation – Initial Coverage \\$LDR](#)
 - [IDEXX Laboratories Inc Valuation – Initial Coverage \\$IDX](#)
 - [Hologic Inc Valuation – Initial Coverage \\$HOLX](#)
 - [Mettler-Toledo International Inc Valuation – Initial Coverage \\$MTD](#)
 - [Envision Healthcare Corp Valuation – Initial Coverage \\$EVHC](#)
 - [UnitedHealth Group Inc Valuation – February 2017 \\$UNH](#)