

# ModernGraham Valuation

Bristol-Myers Squibb  
Co



Company Name:

Company Ticker BMY

Date of Analysis

9/5/2017

## 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	\$98,083,998,860	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.59	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	-32.51%	Fail
5. Earnings Growth	PEmg < 20	27.75	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	6.71	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	1.59	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.30	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.16
MG Growth Estimate	2.48%
<b>MG Value</b>	<b>\$29.02</b>
MG Value based on 3% Growth	\$31.25
MG Value based on 0% Growth	\$18.32
Market Implied Growth Rate	9.62%

MG Opinion

Current Price	\$59.81
% of Intrinsic Value	206.10%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C+</b>

## Stage 3: Information for Further Research

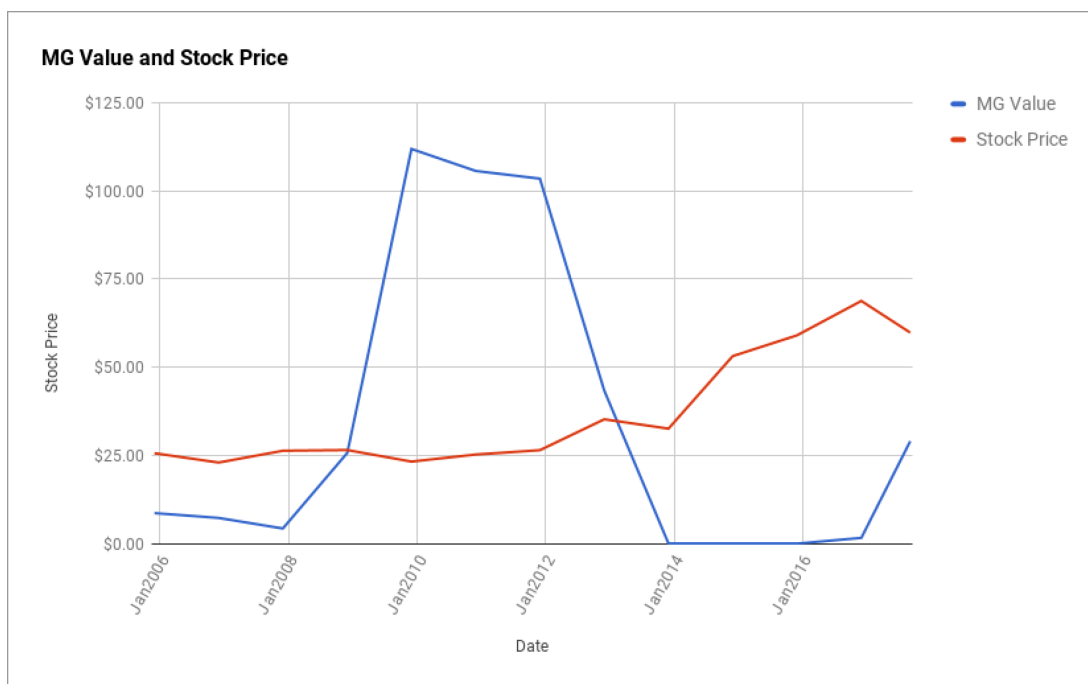
Net Current Asset Value (NCAV)	-\$2.66
Graham Number	\$25.62
PEmg	27.75
Current Ratio	1.59
PB Ratio	6.71
Current Dividend	\$1.53
Dividend Yield	2.56%
Number of Consecutive Years of Dividend Growth	10

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[Yahoo Finance](#)  
[GuruFocus](#)

[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2016	\$3.00	Dec2016	\$2.16
Dec2015	\$2.65	Dec2015	\$1.65
Dec2014	\$0.93	Dec2014	\$1.24
Dec2013	\$1.20	Dec2013	\$1.45
Dec2012	\$1.54	Dec2012	\$1.85
Dec2011	\$1.16	Dec2011	\$2.21
Dec2010	\$2.16	Dec2010	\$2.69
Dec2009	\$1.79	Dec2009	\$2.74
Dec2008	\$5.34	Dec2008	\$2.91
Dec2007	\$2.62	Dec2007	\$1.61
Dec2006	\$1.09	Dec2006	\$1.15
Dec2005	\$0.81	Dec2005	\$1.20
Dec2004	\$1.52	Dec2004	\$1.35
Dec2003	\$1.21	Dec2003	\$1.29
Dec2002	\$1.59	Dec2002	\$1.37
Dec2001	\$1.06	Dec2001	\$1.31
Dec2000	\$0.95	Dec2000	\$1.45
Dec1999	\$1.84	<b>Balance Sheet Information</b> <b>6/1/2017</b> Total Current Assets \$14,324,000,000 Total Current Liabilities \$9,017,000,000 Long-Term Debt \$6,911,000,000 Total Assets \$33,409,000,000 Intangible Assets \$8,106,000,000 Total Liabilities \$18,710,000,000 Shares Outstanding (Diluted Average) 1,650,000,000	
Dec1998	\$1.81		
Dec1997	\$1.35		
	\$1.57		





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**

- [Bristol-Myers Squibb Company Valuation – February 2016 \\$BMY](#)
- [27 Companies in the Spotlight This Week – 12/20/14](#)
- [Bristol-Myers Squibb Company Annual Valuation – 2014 \\$BMY](#)
- [10 Companies in the Spotlight This Week – 12/21/13](#)
- [ModernGraham Valuation: Bristol-Myers Squibb Co. \(BMY\)](#)

**Other ModernGraham posts about related companies**

- [Momenta Pharmaceuticals Inc Valuation – Initial Coverage \\$MNTA](#)
- [Depomed Inc Valuation – Initial Coverage \\$DEPO](#)
- [Endo International PLC Valuation – July 2017 \\$ENDP](#)
- [Biogen Inc Valuation – July 2017 \\$BIIB](#)
- [Mylan NV Valuation – March 2017 \\$MYL](#)
- [Amgen Inc Valuation – March 2017 \\$AMGN](#)
- [Celgene Corporation Valuation – March 2017 \\$CELG](#)
- [Ligand Pharmaceuticals Inc Valuation – Initial Coverage \\$LGND](#)
- [Pfizer Inc Valuation – March 2017 \\$PFE](#)
- [Supernus Pharmaceuticals Inc Valuation – Initial Coverage \\$SUPN](#)