

# ModernGraham Valuation

Air Products &  
Chemicals, Inc.



## Company Name:

Company Ticker APD

Date of Analysis

3/8/2018

## 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	\$36,559,974,167	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.92	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	76.97%	Pass
6. Moderate PEmg Ratio	PEmg < 20	21.81	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.60	Fail

*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	2.92	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.97	Pass
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	\$7.66
MG Growth Estimate	8.26%
<b>MG Value</b>	<b>\$191.64</b>
MG Value based on 3% Growth	\$111.06
MG Value based on 0% Growth	\$65.10
Market Implied Growth Rate	6.66%

### MG Opinion

Current Price	\$167.08
% of Intrinsic Value	87.18%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>B+</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$11.97
Graham Number	\$85.60
PEmg	21.81
Current Ratio	2.92
PB Ratio	3.60
Current Dividend	\$3.71
Dividend Yield	2.22%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.05	Next Fiscal Year Estimate	\$7.66
Sep2017	\$13.65	Sep2017	\$7.42
Sep2016	\$2.89	Sep2016	\$4.44
Sep2015	\$5.88	Sep2015	\$5.23
Sep2014	\$4.61	Sep2014	\$4.94
Sep2013	\$4.68	Sep2013	\$4.97
Sep2012	\$5.44	Sep2012	\$4.93
Sep2011	\$5.63	Sep2011	\$4.60
Sep2010	\$4.74	Sep2010	\$4.03
Sep2009	\$2.96	Sep2009	\$3.45
Sep2008	\$4.15	Sep2008	\$3.26
Sep2007	\$4.64	Sep2007	\$2.52
Sep2006	\$3.18	Sep2006	\$1.47
Sep2005	\$0.03	Sep2005	\$0.83
Sep2004	\$0.03	Sep2004	\$1.28
Sep2003	\$1.78	Sep2003	\$1.86
Sep2002	\$2.36	Sep2002	\$1.91
Sep2001	\$2.12	<b>Balance Sheet Information 12/1/2017</b>	
Sep2000	\$0.57	Total Current Assets	\$5,355,500,000
Sep1999	\$2.09	Total Current Liabilities	\$1,831,600,000
Sep1998	\$2.48	Long-Term Debt	\$3,414,900,000
		Total Assets	\$18,208,800,000
		Intangible Assets	\$1,219,900,000
		Total Liabilities	\$7,993,500,000
		Shares Outstanding (Diluted Average)	220,400,000





**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**

- [Air Products & Chemicals Inc Valuation – February 2016 \\$APD](#)
- [5 Speculative and Overvalued Companies to Avoid – December 2014](#)
- [27 Companies in the Spotlight This Week – 12/20/14](#)
- [Air Products & Chemicals Inc. Annual Valuation – 2014 \\$APD](#)

**Other ModernGraham posts about related companies**

- [Praxair Inc Valuation – March 2018 \\$PX](#)
- [Ingevity Corp Valuation – March 2018 \\$NGVT](#)
- [PolyOne Corp Valuation – March 2018 \\$POL](#)
- [Green Plains Inc Valuation – March 2018 \\$GPRE](#)
- [Eastman Chemical Co Valuation – March 2018 \\$EMN](#)
- [LyondellBasell Industries NV Valuation – March 2018 \\$LYB](#)
- [DowDuPont Inc Valuation – February 2018 \\$DWDP](#)
- [Green Plains Inc Valuation – Initial Coverage \\$GPRE](#)
- [PolyOne Corp Valuation – Initial Coverage \\$POL](#)
- [Ingevity Corp Valuation – Initial Coverage \\$NGVT](#)