ModernGraham Valuation

Company Name:

Company Ticker BBBY Date of Analysis

3/11/2018

Inc.

Bed Bath & Beyond



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; n	nust pass 6 out of the following 7 tests.		
	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$3,217,205,868 Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.67 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	
	5. Earnings Growth	years using 3 year averages at beginning and end	78.89% Pass
	6. Moderate PEmg Ratio	PEmg < 20	5.36 Pass
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.13 Pass
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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	1.67 Pass
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.94 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	Pass
		Score	
Suitability			
	Defensive	No	
	Enterprising	Yes	
Stage 2: Dete	rmination of Intrinsic Value		
•	EPSmg	\$4.19	
	MG Growth Estimate	0.01%	
	MG Value	\$35.70	
	MG Value based on 3% Growth	\$60.76	
	MG Value based on 0% Growth	\$35.62	
	Market Implied Growth Rate	-1.57%	
MG Opinion			
	Current Price	\$22.46	
	% of Intrinsic Value	62.92%	
	Opinion	Undervalued	
	Opinion MG Grade	Undervalued B+	
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Stage 3: Information for Further Research

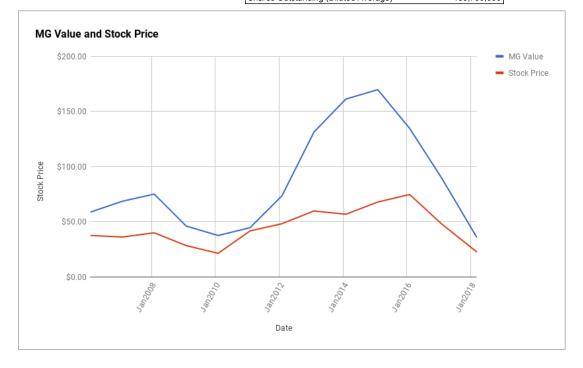
Net Current Asset Value (NCAV)	-\$3.60
Graham Number	\$34.59
PEmg	5.36
Current Ratio	1.67
PB Ratio	1.13
Current Dividend	\$0.38
Dividend Yield	1.67%
Number of Consecutive Years of Dividend Growth	1

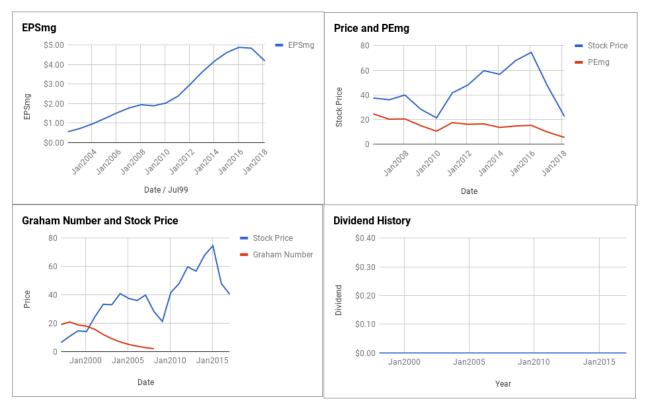
Useful Links:

ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus

Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$2.86	Next Fiscal Year Estimate	\$4.19
Feb2017	\$4.58	Feb2017	\$4.84
Feb2016	\$5.10	Feb2016	\$4.89
Feb2015	\$5.07	Feb2015	\$4.63
Feb2014	\$4.79	Feb2014	\$4.19
Feb2013	\$4.56	Feb2013	\$3.63
Feb2012	\$4.06	Feb2012	\$2.99
Feb2011	\$3.07	Feb2011	\$2.38
Feb2010	\$2.30	Feb2010	\$2.03
Feb2009	\$1.64	Feb2009	\$1.89
Feb2008	\$2.10	Feb2008	\$1.9
Feb2007	\$2.09	Feb2007	\$1.78
Feb2006	\$1.92	Feb2006	\$1.52
Feb2005	\$1.65	Feb2005	\$1.24
Feb2004	\$1.31	Feb2004	\$0.9
Feb2003	\$1.00	Feb2003	\$0.73
Feb2002	\$0.74	Feb2002	\$0.56
Feb2001	\$0.59	Balance Sheet Information	11/1/2017
Feb2000	\$0.46	Total Current Assets	\$3,940,491,000
Feb1999	\$0.34	Total Current Liabilities	\$2,361,067,000
Feb1998	\$0.26	Long-Term Debt	\$1,491,952,000
		Total Assets	\$7,188,878,000
		Intangible Assets	\$716,283,000
		Total Liabilities	\$4,440,032,000
		Shares Outstanding (Diluted Average)	138,790,000





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	<u> 10 Companies Benjamin Graham Would Invest In Today – May 2016</u>	
ModernGraham posts about the	10 Low PE Stocks for the Enterprising Investor – May 2016	
company	<u> 10 Companies Benjamin Graham Would Invest In Today – February 2016</u>	
	10 Low PE Stocks for the Enterprising Investor – February 2016	
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