

ModernGraham Valuation

Company Name:

Henry Schein, Inc.

Company Ticker HSIC

Date of Analysis

3/5/2018



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	\$10,365,271,427	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.45	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	77.25%	Pass
5. Earnings Growth	PEmg < 20	20.66	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.67	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	1.45	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.72	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.20
MG Growth Estimate	5.17%
MG Value	\$60.24
MG Value based on 3% Growth	\$46.35
MG Value based on 0% Growth	\$27.17
Market Implied Growth Rate	6.08%

MG Opinion

Current Price	\$66.04
% of Intrinsic Value	109.63%
Opinion	Fairly Valued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$6.19
Graham Number	\$40.52
PEmg	20.66
Current Ratio	1.45
PB Ratio	3.67
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	
Dec2017	\$3.99	Dec2017	\$3.20
Dec2016	\$2.57	Dec2016	\$2.78
Dec2015	\$3.10	Dec2015	\$2.81
Dec2014	\$2.85	Dec2014	\$2.59
Dec2013	\$2.72	Dec2013	\$2.38
Dec2012	\$2.47	Dec2012	\$2.14
Dec2011	\$2.16	Dec2011	\$1.92
Dec2010	\$1.99	Dec2010	\$1.73
Dec2009	\$1.75	Dec2009	\$1.52
Dec2008	\$1.72	Dec2008	\$1.33
Dec2007	\$1.32	Dec2007	\$1.08
Dec2006	\$1.18	Dec2006	\$0.93
Dec2005	\$0.91	Dec2005	\$0.78
Dec2004	\$0.79	Dec2004	\$0.70
Dec2003	\$0.66	Dec2003	\$0.63
Dec2002	\$0.72	Dec2002	\$0.57
Dec2001	\$0.63	Dec2001	\$0.46
Dec2000	\$0.50	Balance Sheet Information	
Dec1999	\$0.34	12/1/2017	
Dec1998	\$0.30	Total Current Assets	\$4,033,260,000
	\$0.10	Total Current Liabilities	\$2,776,215,000
		Long-Term Debt	\$907,756,000
		Total Assets	\$7,811,235,000
		Intangible Assets	\$2,970,972,000
		Total Liabilities	\$4,999,736,000
		Shares Outstanding (Diluted Average)	156,234,000





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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company

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[Henry Schein Inc. Valuation – October 2015 Update \\$HSIC](#)
[The Best Companies of the Medical Industry – September 2015](#)
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[Universal Health Services Inc Valuation – August 2017 \\$UHS](#)
[Teleflex Inc Valuation – Initial Coverage \\$TFX](#)
[BIO-TECHNE Corp Valuation – Initial Coverage \\$TECH](#)
[LifePoint Health Inc Valuation – Initial Coverage \\$LPNT](#)
[Psychemedics Corp Valuation – April 2017 \\$PMD](#)
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