# **ModernGraham Valuation**

## **Company Name:**

Company Ticker HSIC Date of Analysis Henry Schein, Inc.





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

3/5/2018

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
5.	Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	77.25%	Pass
6.	Moderate PEmg Ratio	PEmg < 20	20.66	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.67	Fail
Enterprising Investor; mus	st pass 4 out of the following 5 tests, or be s	uitable for the Defensive Investor.		
1.	Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.45	Fail

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.45 Fall
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	Pass
	Score	

#### 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+	

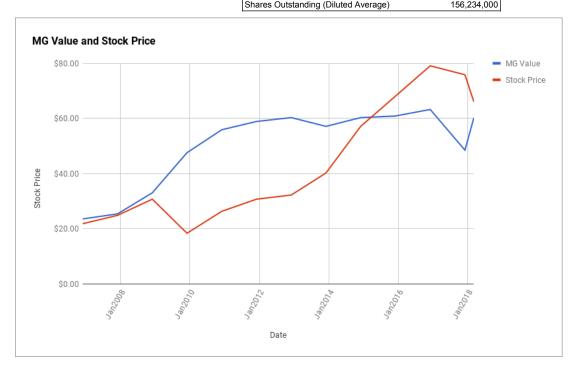
## Stage 3: Information for Further Research

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 Google Finance Yahoo Finance GuruFocus Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$3.99	Next Fiscal Year Estimate	\$3.20
Dec2017	\$2.57	Dec2017	\$2.78
Dec2016	\$3.10	Dec2016	\$2.81
Dec2015	\$2.85	Dec2015	\$2.59
Dec2014	\$2.72	Dec2014	\$2.38
Dec2013	\$2.47	Dec2013	\$2.14
Dec2012	\$2.16	Dec2012	\$1.92
Dec2011	\$1.99	Dec2011	\$1.73
Dec2010	\$1.75	Dec2010	\$1.52
Dec2009	\$1.72	Dec2009	\$1.33
Dec2008	\$1.32	Dec2008	\$1.08
Dec2007	\$1.18	Dec2007	\$0.93
Dec2006	\$0.91	Dec2006	\$0.78
Dec2005	\$0.79	Dec2005	\$0.70
Dec2004	\$0.66	Dec2004	\$0.63
Dec2003	\$0.72	Dec2003	\$0.57
Dec2002	\$0.63	Dec2002	\$0.46
Dec2001	\$0.50	Balance Sheet Information	12/1/2017
Dec2000	\$0.34	Total Current Assets	\$4,033,260,000
Dec1999	\$0.30	Total Current Liabilities	\$2,776,215,000
Dec1998	\$0.10	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:**

 
 Other
 Henry Schein Inc Valuation – February 2016 Update \$HSIC

 ModernGraham posts about the company
 Henry Schein Inc. Valuation – October 2015 Update \$HSIC

 The Best Companies of the Medical Industry – September 2015
 Henry Schein Inc. Analysis – Initial Coverage \$HSIC

Other ModernGraham posts about related companies Medtronic PLC Valuation – March 2018 \$MDT UnitedHealth Group Inc Valuation – February 2018 \$UNH VCA Inc Valuation – Initial Coverage \$WOOF Universal Health Services Inc Valuation – August 2017 \$UHS Telefex 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 Community Health Systems Valuation – Initial Coverage \$CYH Patterson Companies Inc Valuation – April 2017 \$PDCO