

# ModernGraham Valuation

AmerisourceBergen  
Corp.



Company Name:

Company Ticker ABC

Date of Analysis

4/5/2018

## 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	\$18,678,378.621	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.95	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	124.45%	Pass
5. Earnings Growth	PEmg < 20	22.73	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	0.95	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-2.96	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
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>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.84
MG Growth Estimate	14.97%
<b>MG Value</b>	<b>\$147.82</b>
MG Value based on 3% Growth	\$55.75
MG Value based on 0% Growth	\$32.68
Market Implied Growth Rate	7.11%

MG Opinion

Current Price	\$87.38
% of Intrinsic Value	59.11%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$37.09
Graham Number	\$37.07
PEmg	22.73
Current Ratio	0.95
PB Ratio	6.71
Current Dividend	\$1.46
Dividend Yield	1.67%
Number of Consecutive Years of Dividend Growth	12

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<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	\$6.45	Next Fiscal Year Estimate	\$3.84
Sep2017	\$1.64	Sep2017	\$2.38
Sep2016	\$6.32	Sep2016	\$2.60
Sep2015	-\$0.63	Sep2015	\$1.01
Sep2014	\$1.16	Sep2014	\$1.92
Sep2013	\$1.84	Sep2013	\$2.27
Sep2012	\$2.80	Sep2012	\$2.33
Sep2011	\$2.54	Sep2011	\$1.96
Sep2010	\$2.22	Sep2010	\$1.58
Sep2009	\$1.66	Sep2009	\$1.20
Sep2008	\$0.77	Sep2008	\$0.97
Sep2007	\$1.25	Sep2007	\$1.04
Sep2006	\$1.13	Sep2006	\$0.93
Sep2005	\$0.62	Sep2005	\$0.81
Sep2004	\$1.02	Sep2004	\$0.86
Sep2003	\$0.98	Sep2003	\$0.73
Sep2002	\$0.79	Sep2002	\$0.56
Sep2001	\$0.53	<b>Balance Sheet Information 12/1/2017</b>	
Sep2000	\$0.48	Total Current Assets	\$25,296,432,000
Sep1999	\$0.33	Total Current Liabilities	\$26,740,291,000
Sep1998	\$0.21	Long-Term Debt	\$4,266,757,000
		Total Assets	\$36,361,510,000
		Intangible Assets	\$8,901,145,000
		Total Liabilities	\$33,486,928,000
		Shares Outstanding (Diluted Average)	220,822,000





**Disclaimer:**

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**Recommended Reading:**

**Other ModernGraham posts about the company**

- [27 Companies in the Spotlight This Week – 4/4/15](#)
- [AmerisourceBergen Corporation Annual Valuation – 2015 \\$ABC](#)
- [14 Companies in the Spotlight This Week – 4/5/14](#)
- [Amerisource Bergen \(ABC\) Annual Valuation – 2014](#)
- [14 Companies in the Spotlight This Week – 1/4/14](#)

**Other ModernGraham posts about related companies**

- [AbbVie Inc Valuation – April 2018 \\$ABBV](#)
- [Eli Lilly and Co. Valuation – March 2018 \\$LLY](#)
- [Zoetis Inc Valuation – March 2018 \\$ZTS](#)
- [Gilead Sciences Inc Valuation – March 2018 \\$GILD](#)
- [Pfizer Inc Valuation – February 2018 \\$PFE](#)
- [Merck & Co Inc Valuation – February 2018 \\$MRK](#)
- [Johnson & Johnson Valuation – February 2018 \\$JNJ](#)
- [Bristol-Myers Squibb Co Valuation – September 2017 \\$BMY](#)
- [Momenta Pharmaceuticals Inc Valuation – Initial Coverage \\$MNTA](#)
- [Depomed Inc Valuation – Initial Coverage \\$DEPO](#)