

ModernGraham Valuation

Thermo Fisher
Scientific Inc.



Company Name:

Company Ticker TMO

Date of Analysis

4/25/2018

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	\$87,572,980,048	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.34	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	167.50%	Pass
5. Earnings Growth	PEmg < 20	30.41	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.42	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	1.34	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	7.95	Fail
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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$7.05
MG Growth Estimate	13.06%
MG Value	\$244.12
MG Value based on 3% Growth	\$102.25
MG Value based on 0% Growth	\$59.94
Market Implied Growth Rate	10.96%

MG Opinion

Current Price	\$214.47
% of Intrinsic Value	87.86%
Opinion	Fairly Valued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$53.89
Graham Number	\$123.59
PEmg	30.41
Current Ratio	1.34
PB Ratio	3.42
Current Dividend	\$0.60
Dividend Yield	0.28%
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	\$10.72	Next Fiscal Year Estimate	\$7.05
Dec2017	\$5.59	Dec2017	\$5.06
Dec2016	\$5.09	Dec2016	\$4.63
Dec2015	\$4.92	Dec2015	\$4.25
Dec2014	\$4.71	Dec2014	\$3.77
Dec2013	\$3.48	Dec2013	\$3.18
Dec2012	\$3.21	Dec2012	\$2.92
Dec2011	\$3.46	Dec2011	\$2.64
Dec2010	\$2.53	Dec2010	\$2.11
Dec2009	\$2.01	Dec2009	\$1.82
Dec2008	\$2.25	Dec2008	\$1.70
Dec2007	\$1.72	Dec2007	\$1.44
Dec2006	\$0.84	Dec2006	\$1.35
Dec2005	\$1.36	Dec2005	\$1.50
Dec2004	\$2.17	Dec2004	\$1.37
Dec2003	\$1.20	Dec2003	\$0.76
Dec2002	\$1.73	Dec2002	\$0.46
Dec2001	\$0.00	Balance Sheet Information 12/1/2017	
Dec2000	-\$0.22	Total Current Assets	\$9,421,000,000
Dec1999	-\$1.12	Total Current Liabilities	\$7,048,000,000
Dec1998	\$1.08	Long-Term Debt	\$18,873,000,000
		Total Assets	\$56,669,000,000
		Intangible Assets	\$41,974,000,000
		Total Liabilities	\$31,256,000,000
		Shares Outstanding (Diluted Average)	405,200,000





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**
- [8 Best Stocks for Value Investors of the Week – 12/10/16](#)
 - [Thermo Fisher Scientific Inc Valuation – December 2016 \\$TMO](#)
 - [Thermo Fisher Scientific Inc Valuation – November 2016 \\$TMO](#)
 - [Thermo Fisher Scientific Inc. Analysis – 2015 Update \\$TMO](#)
 - [19 Companies in the Spotlight This Week – 8/9/14](#)

- Other ModernGraham posts about related companies**
- [Illumina Inc Valuation – April 2018 \\$ILMN](#)
 - [Waters Corp Valuation – April 2018 \\$WAT](#)
 - [Align Technology Inc Valuation – April 2018 \\$ALGN](#)
 - [HCA Healthcare Inc Valuation – April 2018 \\$HCA](#)
 - [Express Scripts Holding Co Valuation – April 2018 \\$ESRX](#)
 - [Stryker Corp Valuation – April 2018 \\$SYK](#)
 - [Cerner Corporation Valuation – April 2018 \\$CERN](#)
 - [Quest Diagnostics Inc Valuation – April 2018 \\$DGX](#)
 - [Laboratory Corporation of America Holdings Valuation – March 2018 \\$LH](#)
 - [Intuitive Surgical Inc valuation – March 2018 \\$ISRG](#)