ModernGraham Valuation

Company Name: Becton Dickinson and Co

Company Ticker	BDX
Date of Analysis	5/5/2018

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	$59,814,032,039	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.54	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	24.47%	Fail
6. Moderate PEmg Ratio	PEmg < 20	33.93	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.43	Pass

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	1.54	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.35	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		Pass
	Score		

Suitability

Defensive	**No**
Enterprising	**Yes**

Stage 2: Determination of Intrinsic Value

EPSmg		$6.62
MG Growth Estimate		1.66%
MG Value		**$78.27**
MG Value based on 3% Growth		$96.00
MG Value based on 0% Growth		$56.28
Market Implied Growth Rate		12.72%

MG Opinion

Current Price		$224.66
% of Intrinsic Value		287.04%
Opinion	**Overvalued**	
MG Grade	**B-**	

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$115.52
Graham Number	$118.29
PEmg	33.93
Current Ratio	1.54
PB Ratio	2.43
Current Dividend	$2.92
Dividend Yield	1.30%
Number of Consecutive Years of Dividend Growth	20

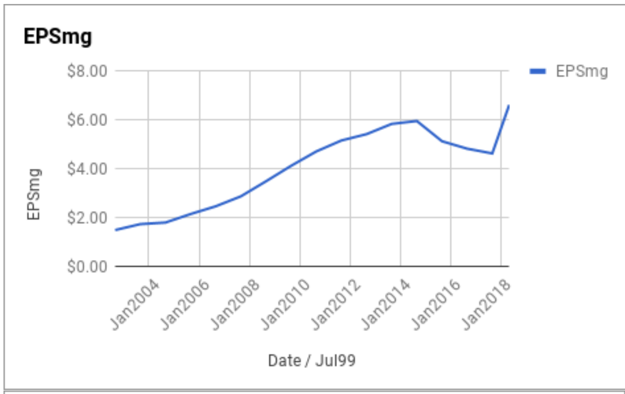
Useful Links:

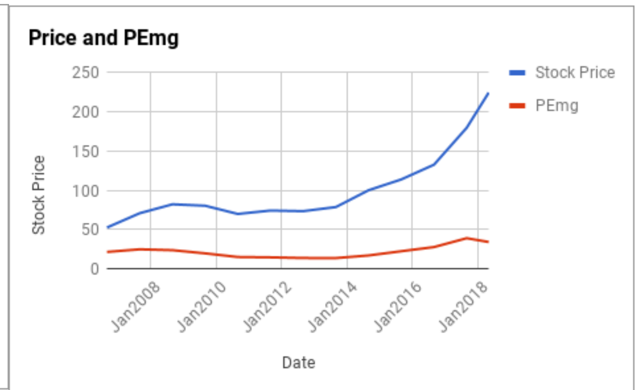
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

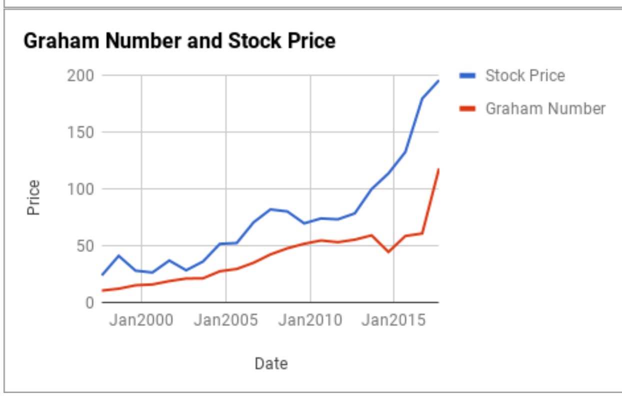
EPS History	
Next Fiscal Year Estimate	$10.95
Sep2017	$4.60
Sep2016	$4.49
Sep2015	$3.35
Sep2014	$5.99
Sep2013	$6.49
Sep2012	$5.59
Sep2011	$5.62
Sep2010	$5.49
Sep2009	$4.99
Sep2008	$4.46
Sep2007	$3.49
Sep2006	$2.93
Sep2005	$2.77
Sep2004	$1.77
Sep2003	$2.07
Sep2002	$1.79
Sep2001	$1.49
Sep2000	$1.49
Sep1999	$1.04
Sep1998	$0.90

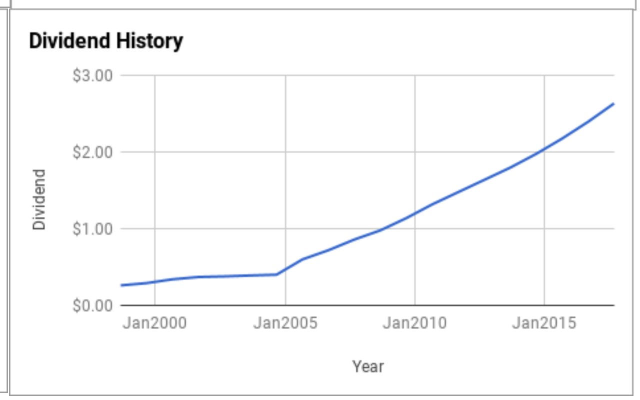
EPSmg History	
Next Fiscal Year Estimate	$6.62
Sep2017	$4.63
Sep2016	$4.83
Sep2015	$5.13
Sep2014	$5.96
Sep2013	$5.84
Sep2012	$5.42
Sep2011	$5.16
Sep2010	$4.71
Sep2009	$4.13
Sep2008	$3.49
Sep2007	$2.87
Sep2006	$2.46
Sep2005	$2.15
Sep2004	$1.80
Sep2003	$1.73
Sep2002	$1.49

Balance Sheet Information	**12/1/2017**
Total Current Assets	$7,542,000,000
Total Current Liabilities	$4,895,000,000
Long-Term Debt	$22,095,000,000
Total Assets	$55,363,000,000
Intangible Assets	$41,377,000,000
Total Liabilities	$34,116,000,000
Shares Outstanding (Diluted Average)	230,038,000









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	5 of the Worst Stocks to Invest In – January 2017 Becton Dickinson and Co Valuation – January 2017 $BDX Becton Dickinson & Company Analysis – August 2015 Update $BDX 30 Companies in the Spotlight This Week – 5/23/15 Becton Dickinson and Company Quarterly Valuation – May 2015 $BDX
Other ModernGraham posts about related companies	Thermo Fisher Scientific Inc Valuation – April 2018 $TMO 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