

ModernGraham Valuation

Company Name:

Danaher Corporation

Company Ticker

DHR

Date of Analysis

5/22/2018



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	\$70,156,291,566	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.59	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	54.81%	Pass
5. Earnings Growth	PEmg < 20	25.28	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.65	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	1.59	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.96	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	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.01
MG Growth Estimate	2.26%
MG Value	\$52.26
MG Value based on 3% Growth	\$58.17
MG Value based on 0% Growth	\$34.10
Market Implied Growth Rate	8.39%

MG Opinion

Current Price	\$101.41
% of Intrinsic Value	194.04%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$18.14
Graham Number	\$61.20
PEmg	25.28
Current Ratio	1.59
PB Ratio	2.65
Current Dividend	\$0.56
Dividend Yield	0.55%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	\$4.01
Dec2017	\$3.53	Dec2017	\$3.84
Dec2016	\$3.65	Dec2016	\$3.94
Dec2015	\$4.74	Dec2015	\$3.96
Dec2014	\$3.63	Dec2014	\$3.49
Dec2013	\$3.80	Dec2013	\$3.25
Dec2012	\$3.36	Dec2012	\$2.84
Dec2011	\$3.11	Dec2011	\$2.49
Dec2010	\$2.64	Dec2010	\$2.13
Dec2009	\$1.73	Dec2009	\$1.85
Dec2008	\$1.98	Dec2008	\$1.83
Dec2007	\$2.10	Dec2007	\$1.65
Dec2006	\$1.74	Dec2006	\$1.32
Dec2005	\$1.38	Dec2005	\$1.03
Dec2004	\$1.15	Dec2004	\$0.81
Dec2003	\$0.84	Dec2003	\$0.61
Dec2002	\$0.47	Dec2002	\$0.48
Dec2001	\$0.50	Balance Sheet Information 3/1/2018	
Dec2000	\$0.56	Total Current Assets	\$7,075,100,000
Dec1999	\$0.45	Total Current Liabilities	\$4,442,900,000
Dec1998	\$0.33	Long-Term Debt	\$10,410,700,000
		Total Assets	\$47,145,200,000
		Intangible Assets	\$37,018,900,000
		Total Liabilities	\$19,943,400,000
		Shares Outstanding (Diluted Average)	709,500,000





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.

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