

ModernGraham Valuation

Company Name:

Company Ticker APD
Date of Analysis

Air Products &
Chemicals, Inc.

1/8/2019



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	\$34,708,500,605	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.17	Pass
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	80.14%	Pass
5. Earnings Growth	PEmg < 20	19.76	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.13	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	2.17	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.22	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$8.00
MG Growth Estimate	7.96%
MG Value	\$195.30
MG Value based on 3% Growth	\$115.98
MG Value based on 0% Growth	\$67.99
Market Implied Growth Rate	5.63%

MG Opinion

Current Price	\$158.09
% of Intrinsic Value	80.95%
Opinion	Fairly Valued
MG Grade	A-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$13.21
Graham Number	\$94.70
PEmg	19.76
Current Ratio	2.17
PB Ratio	3.13
Current Dividend	\$4.25
Dividend Yield	2.69%
Number of Consecutive Years of Dividend Growth	20

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	\$8.05	Next Fiscal Year Estimate	\$8.00
Sep2018	\$6.78	Sep2018	\$7.57
Sep2017	\$13.65	Sep2017	\$7.42
Sep2016	\$2.89	Sep2016	\$4.44
Sep2015	\$5.88	Sep2015	\$5.23
Sep2014	\$4.61	Sep2014	\$4.94
Sep2013	\$4.68	Sep2013	\$4.97
Sep2012	\$5.44	Sep2012	\$4.93
Sep2011	\$5.63	Sep2011	\$4.60
Sep2010	\$4.74	Sep2010	\$4.03
Sep2009	\$2.96	Sep2009	\$3.45
Sep2008	\$4.15	Sep2008	\$3.26
Sep2007	\$4.64	Sep2007	\$2.52
Sep2006	\$3.18	Sep2006	\$1.47
Sep2005	\$0.03	Sep2005	\$0.83
Sep2004	\$0.03	Sep2004	\$1.28
Sep2003	\$1.78	Sep2003	\$1.86
Sep2002	\$2.36	Balance Sheet Information 9/1/2018	
Sep2001	\$2.12	Total Current Assets	\$5,082,200,000
Sep2000	\$0.57	Total Current Liabilities	\$2,338,300,000
Sep1999	\$2.09	Long-Term Debt	\$3,351,700,000
		Total Assets	\$19,178,300,000
		Intangible Assets	\$1,227,400,000
		Total Liabilities	\$8,002,000,000
		Shares Outstanding (Diluted Average)	221,100,000





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

- [Best Dividend Paying Stocks for Dividend Growth Investors – August 2018](#)
- [Best Dividend Paying Stocks for Dividend Growth Investors – June 2018](#)
- [Best Dividend Paying Stocks for Dividend Growth Investors – April 2018](#)
- [Air Products & Chemicals Inc Valuation – March 2018 \\$APD](#)
- [Air Products & Chemicals Inc Valuation – January 2017 \\$APD](#)

Other ModernGraham posts about related companies

- [LyondellBasell Industries NV Valuation – January 2019 \\$LYB](#)
- [Eastman Chemical Co Valuation – January 2019 \\$EMN](#)
- [DowDuPont Inc Valuation – November 2018 \\$DWD](#)
- [Chemtrade Logistics Income Fund Valuation – July 2018 \\$TSE:CHE.UN](#)
- [PPG Industries Inc Valuation – May 2018 \\$PPG](#)
- [Innospec Inc Valuation – April 2018 \\$IOSP](#)
- [Innophos Holdings Inc Valuation – March 2018 \\$IPHS](#)
- [Olin Corp Valuation – March 2018 \\$OLN](#)
- [A Schulman Inc Valuation – March 2018 \\$SHLM](#)
- [FMC Corp Valuation – March 2018 \\$FMC](#)