

# ModernGraham Valuation

AmerisourceBergen  
Corp.



Company Name:

Company Ticker ABC

Date of Analysis

2/5/2019

## 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	\$18,168,516,235	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.94	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	107.14%	Pass
6. Moderate PEmg Ratio	PEmg < 20	16.20	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.87	Fail

*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	0.94	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-2.22	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	\$5.30
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$204.05</b>
MG Value based on 3% Growth	\$76.85
MG Value based on 0% Growth	\$45.05
Market Implied Growth Rate	3.85%

MG Opinion

Current Price	\$85.84
% of Intrinsic Value	42.07%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C-</b>

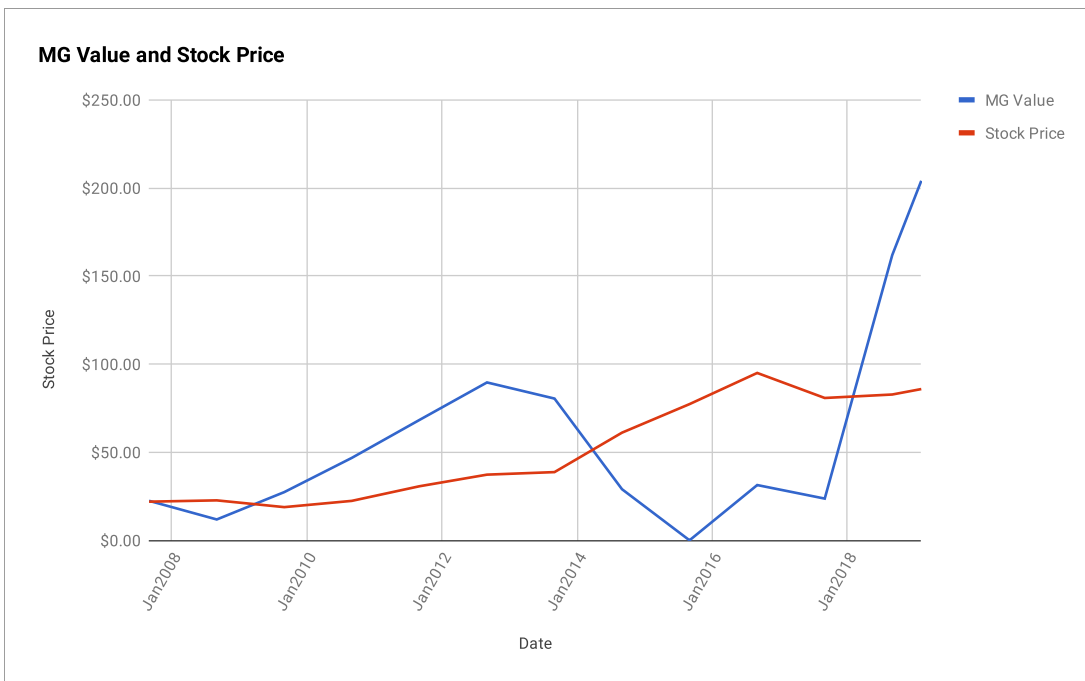
## Stage 3: Information for Further Research

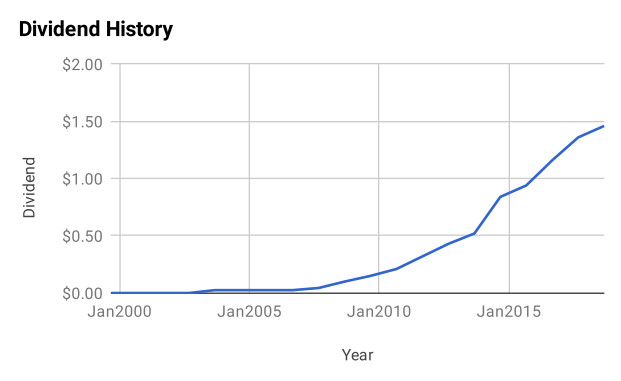
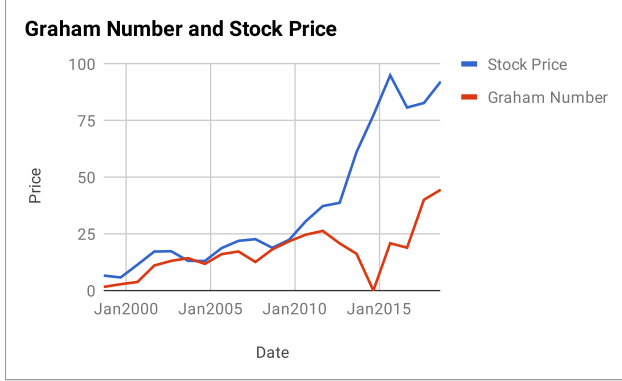
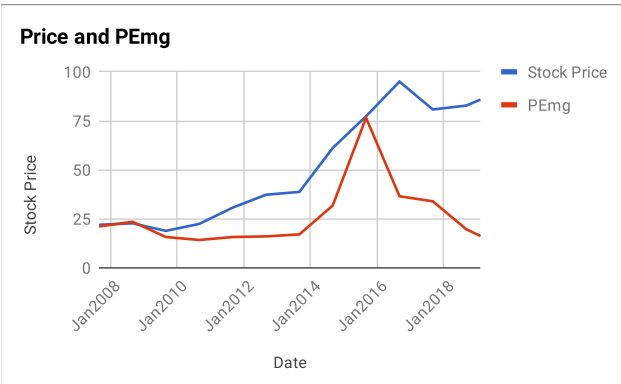
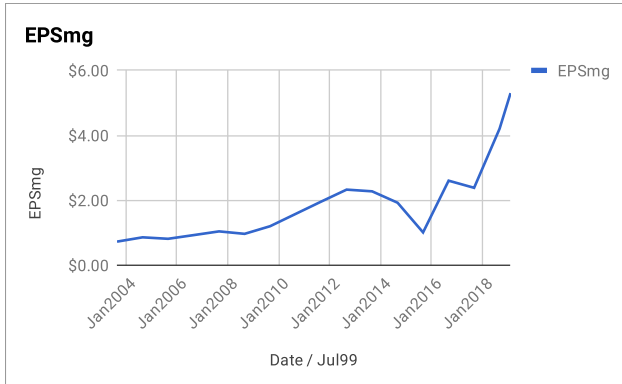
Net Current Asset Value (NCAV)	-\$39.87
Graham Number	\$44.49
PEmg	16.20
Current Ratio	0.94
PB Ratio	5.87
Current Dividend	\$1.52
Dividend Yield	1.77%
Number of Consecutive Years of Dividend Growth	13

Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<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	\$6.49	Next Fiscal Year Estimate	\$5.30
Sep2018	\$7.53	Sep2018	\$4.20
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	<b>Balance Sheet Information 12/1/2018</b>	
Sep2001	\$0.53	Total Current Assets	\$27,476,207,000
Sep2000	\$0.48	Total Current Liabilities	\$29,351,737,000
Sep1999	\$0.33	Long-Term Debt	\$4,165,400,000
		Total Assets	\$39,267,823,000
		Intangible Assets	\$9,622,245,000
		Total Liabilities	\$36,103,090,000
		Shares Outstanding (Diluted Average)	216,360,000





**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**
- [AmerisourceBergen Corp Valuation – April 2018 \\$ABC](#)
  - [AmerisourceBergen Corp Valuation – July 2016 \\$ABC](#)
  - [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](#)

- Other ModernGraham posts about related companies**
- [Laboratory Corp of America Holdings Inc Valuation – January 2019 \\$LH](#)
  - [Intuitive Surgical Inc Valuation – January 2019 \\$ISRG](#)
  - [PerkinElmer Inc Valuation – January 2019 \\$PKI](#)
  - [Cardinal Health Inc Valuation – January 2019 \\$CAH](#)
  - [Varian Medical Systems Inc Valuation – January 2019 \\$VAR](#)
  - [Zimmer Biomet Holdings Inc Valuation – January 2019 \\$ZBH](#)
  - [Henry Schein Inc Valuation – January 2019 \\$HSIC](#)
  - [Medtronic PLC Valuation – January 2019 \\$MDT](#)
  - [UnitedHealth Group Inc Valuation – November 2018 \\$UNH](#)
  - [Luminex Corp Valuation – October 2018 \\$LMNX](#)