

# ModernGraham Valuation

Company Name:

Abbott Laboratories

Company Ticker ABT

Date of Analysis

2/28/2019



## 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	\$136,723,618,367	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.62	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	-50.67%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	43.49	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.49	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	1.62	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.44	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		Fail

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.79
MG Growth Estimate	-3.78%
<b>MG Value</b>	<b>\$1.68</b>
MG Value based on 3% Growth	\$25.94
MG Value based on 0% Growth	\$15.20
Market Implied Growth Rate	17.50%

### MG Opinion

Current Price	\$77.79
% of Intrinsic Value	4629.78%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

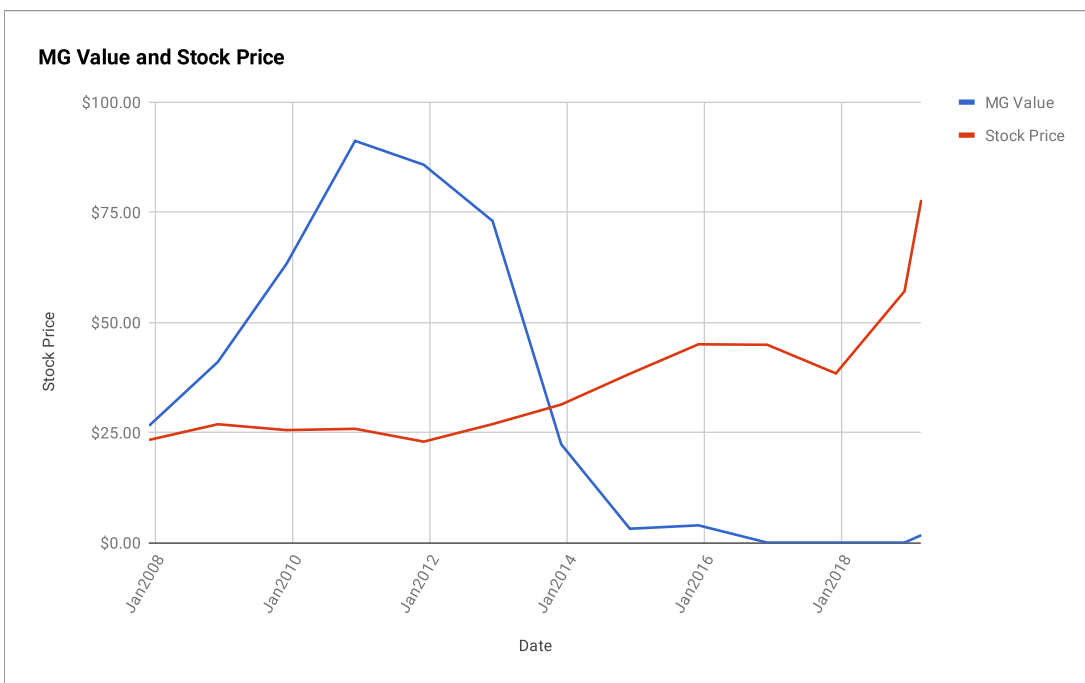
Net Current Asset Value (NCAV)	-\$12.30
Graham Number	\$35.26
PEmg	43.49
Current Ratio	1.62
PB Ratio	4.49
Current Dividend	\$1.12
Dividend Yield	1.44%
Number of Consecutive Years of Dividend Growth	5

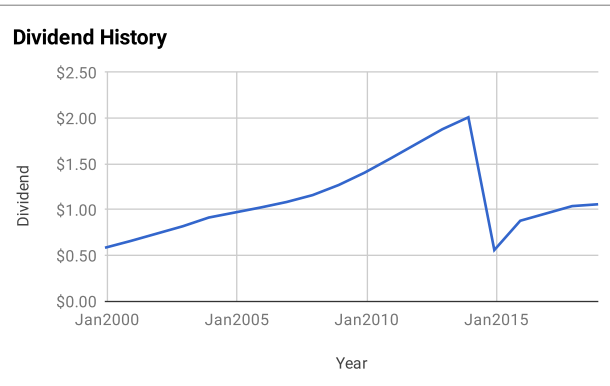
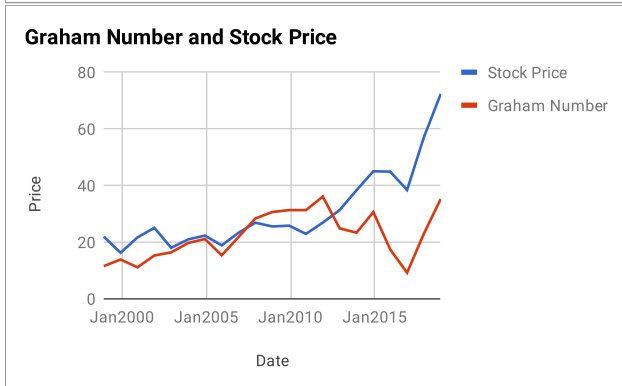
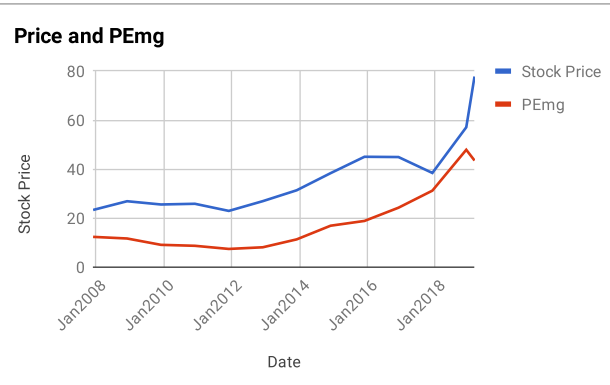
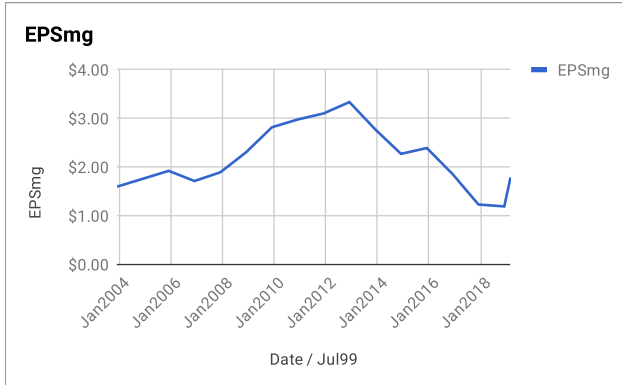
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2018	\$3.18	Dec2018	\$1.79
Dec2017	\$1.33	Dec2017	\$1.19
Dec2016	\$0.27	Dec2016	\$1.23
Dec2015	\$0.94	Dec2015	\$1.85
Dec2014	\$2.92	Dec2014	\$2.39
Dec2013	\$1.49	Dec2013	\$2.27
Dec2012	\$1.62	Dec2012	\$2.77
Dec2011	\$3.72	Dec2011	\$3.33
Dec2010	\$3.01	Dec2010	\$3.10
Dec2009	\$2.96	Dec2009	\$2.98
Dec2008	\$3.69	Dec2008	\$2.82
Dec2007	\$3.12	Dec2007	\$2.31
Dec2006	\$2.31	Dec2006	\$1.89
Dec2005	\$1.12	Dec2005	\$1.71
Dec2004	\$2.16	Dec2004	\$1.92
Dec2003	\$2.06	Dec2003	\$1.76
Dec2002	\$1.75	Dec2003	\$1.60
Dec2001	\$1.78	<b>Balance Sheet Information</b>	
Dec2000	\$0.99	<b>12/1/2018</b>	
Dec1999	\$1.78	Total Current Assets	\$14,632,000,000
	\$1.57	Total Current Liabilities	\$9,012,000,000
		Long-Term Debt	\$19,359,000,000
		Total Assets	\$67,173,000,000
		Intangible Assets	\$42,196,000,000
		Total Liabilities	\$36,451,000,000
		Shares Outstanding (Diluted Average)	1,773,870,000





**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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