

# ModernGraham Valuation

Company Name:

Best Buy Co Inc

Company Ticker BBY

Date of Analysis

2/3/2019



## 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	\$15,734,394,268	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.10	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	330.85%	Pass
5. Earnings Growth	PEmg < 20	15.00	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.42	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	1.10	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.32	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.90
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$150.10</b>
MG Value based on 3% Growth	\$56.53
MG Value based on 0% Growth	\$33.14
Market Implied Growth Rate	3.25%

### MG Opinion

Current Price	\$58.47
% of Intrinsic Value	38.95%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C</b>

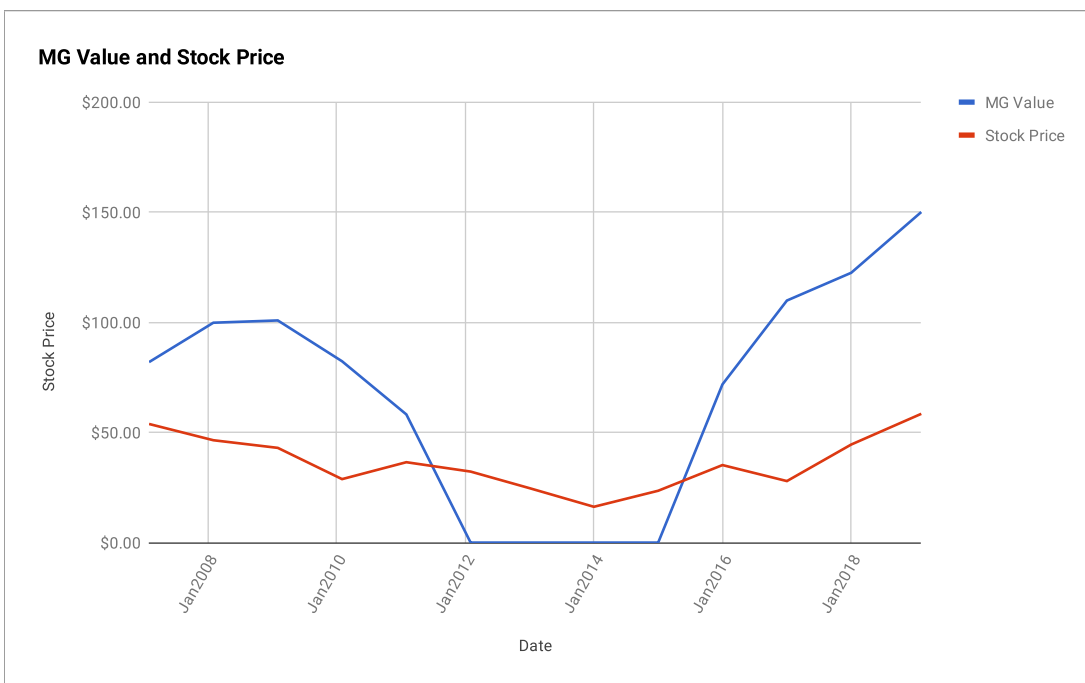
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$3.89
Graham Number	\$38.20
PEmg	15.00
Current Ratio	1.10
PB Ratio	5.42
Current Dividend	\$1.36
Dividend Yield	2.33%
Number of Consecutive Years of Dividend Growth	5

### 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		Next Fiscal Year Estimate	\$3.90
Jan2018	\$5.08	Jan2018	\$3.18
Jan2017	\$3.26	Jan2017	\$2.85
Jan2016	\$3.81	Jan2016	\$1.87
Jan2015	\$2.56	Jan2015	\$1.33
Jan2014	\$3.49	Jan2014	\$0.46
Jan2013	\$1.53	Jan2013	\$0.29
Feb2012	\$0.00	Feb2012	\$0.85
Feb2011	-\$3.36	Feb2011	\$2.93
Feb2010	\$3.08	Feb2010	\$2.82
Feb2009	\$3.10	Feb2009	\$2.62
Feb2008	\$2.39	Feb2008	\$2.59
Feb2007	\$3.12	Feb2007	\$2.13
Feb2006	\$2.79	Feb2006	\$1.67
Feb2005	\$2.27	Feb2005	\$1.28
Feb2004	\$1.96	Feb2004	\$0.92
Feb2003	\$1.41	Feb2003	\$0.68
Feb2002	\$0.21	<b>Balance Sheet Information 10/1/2018</b>	
Feb2001	\$1.18	Total Current Assets	\$10,901,000,000
Feb2000	\$0.83	Total Current Liabilities	\$9,933,000,000
Feb2000	\$0.73	Long-Term Debt	\$1,280,000,000
Feb1999	\$0.46	Total Assets	\$15,000,000,000
		Intangible Assets	\$1,304,000,000
		Total Liabilities	\$11,988,000,000
		Shares Outstanding (Diluted Average)	279,300,000





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 Buy Co Inc Valuation – April 2018 \\$BBY](#)  
[Best Buy Co Valuation – July 2016 \\$BBY](#)  
[Best Buy Stock Analysis – 2015 Annual Update \\$BBY](#)  
[19 Companies in the Spotlight This Week – 3/15/14](#)  
[Best Buy Company Inc. \(BBY\) Annual Valuation](#)

Other  
ModernGraham  
posts about related  
companies

[Ross Stores Inc Valuation – January 2019 \\$ROST](#)  
[Walgreens Boots Alliance Inc Valuation – December 2018 \\$WBA](#)  
[Nordstrom Inc Valuation – December 2018 \\$JWN](#)  
[Walmart Inc Valuation – November 2018 \\$WMT](#)  
[Canadian Tire Corp Ltd Valuation – August 2018 \\$TSE:CTC.A](#)  
[McKesson Corp Valuation – June 2018 \\$MCK](#)  
[Big 5 Sporting Goods Corp Valuation – June 2018 \\$BGFV](#)  
[Amazon.com Inc Valuation – June 2018 \\$AMZN](#)  
[Fossil Group Inc Valuation – June 2018 \\$FOSL](#)  
[Costco Wholesale Corp Valuation – June 2018 \\$COST](#)