

ModernGraham Valuation

Company Name:

Company Ticker TMO

Date of Analysis

2/21/2019

Thermo Fisher
Scientific Inc.



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	\$101,139,166,760	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.71	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	170.43%	Pass
5. Earnings Growth	PEmg < 20	31.12	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.69	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	1.71	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.01	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	\$8.07
MG Growth Estimate	13.48%
MG Value	\$286.31
MG Value based on 3% Growth	\$117.04
MG Value based on 0% Growth	\$68.61
Market Implied Growth Rate	11.31%

MG Opinion

Current Price	\$251.23
% of Intrinsic Value	87.75%
Opinion	Fairly Valued
MG Grade	C+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$44.33
Graham Number	\$136.30
PEmg	31.12
Current Ratio	1.71
PB Ratio	3.69
Current Dividend	\$0.68
Dividend Yield	0.27%
Number of Consecutive Years of Dividend Growth	1

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$12.05	Next Fiscal Year Estimate	\$8.07
Dec2018	\$7.24	Dec2018	\$5.89
Dec2017	\$5.59	Dec2017	\$5.06
Dec2016	\$5.09	Dec2016	\$4.63
Dec2015	\$4.92	Dec2015	\$4.25
Dec2014	\$4.71	Dec2014	\$3.77
Dec2013	\$3.48	Dec2013	\$3.18
Dec2012	\$3.21	Dec2012	\$2.92
Dec2011	\$3.46	Dec2011	\$2.64
Dec2010	\$2.53	Dec2010	\$2.11
Dec2009	\$2.01	Dec2009	\$1.82
Dec2008	\$2.25	Dec2008	\$1.70
Dec2007	\$1.72	Dec2007	\$1.44
Dec2006	\$0.84	Dec2006	\$1.35
Dec2005	\$1.36	Dec2005	\$1.50
Dec2004	\$2.17	Dec2004	\$1.37
Dec2003	\$1.20	Dec2003	\$0.76
Dec2002	\$1.73	Balance Sheet Information 12/1/2018	
Dec2001	\$0.00	Total Current Assets	\$10,640,000,000
Dec2000	-\$0.22	Total Current Liabilities	\$6,223,000,000
Dec1999	-\$1.12	Long-Term Debt	\$17,719,000,000
		Total Assets	\$56,181,000,000
		Intangible Assets	\$40,325,000,000
		Total Liabilities	\$28,595,000,000
		Shares Outstanding (Diluted Average)	405,000,000





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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