ModernGraham Valuation

Company Name: Boston Scientific Corporation

Company Ticker	BSX
Date of Analysis	3/1/2019

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	$56,533,391,248	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.76	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-185.15%	Fail
6. Moderate PEmg Ratio	PEmg < 20	46.99	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.57	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	0.76	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-3.82	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	**No**
Enterprising	**No**

Stage 2: Determination of Intrinsic Value

EPSmg		$0.87
MG Growth Estimate		15.00%
MG Value		**$33.42**
MG Value based on 3% Growth		$12.59
MG Value based on 0% Growth		$7.38
Market Implied Growth Rate		19.25%

MG Opinion

Current Price		$40.79
% of Intrinsic Value		122.06%
Opinion	**Overvalued**	
MG Grade	**D**	

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$5.88
Graham Number	$14.78
PEmg	46.99
Current Ratio	0.76
PB Ratio	6.57
Current Dividend	$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

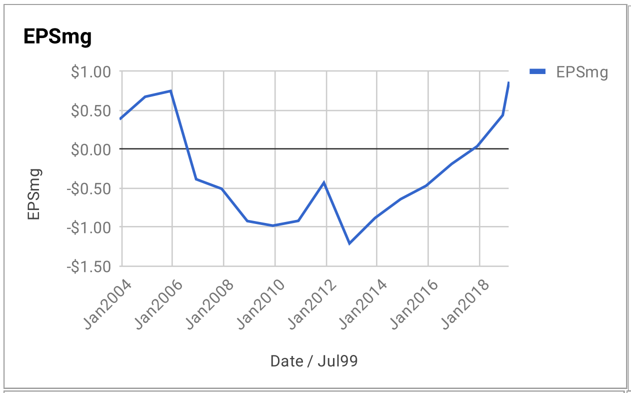
Useful Links:

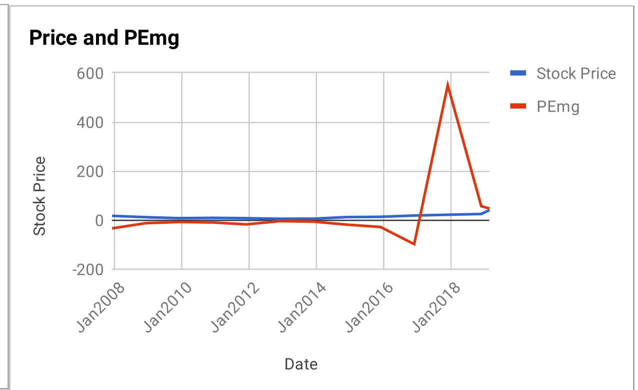
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

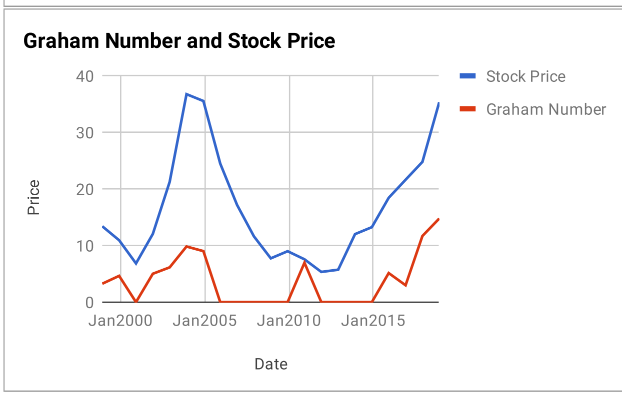
EPS History	
Next Fiscal Year Estimate	$1.54
Dec2018	$1.19
Dec2017	$0.08
Dec2016	$0.25
Dec2015	-$0.18
Dec2014	-$0.09
Dec2013	-$0.09
Dec2012	-$2.89
Dec2011	$0.29
Dec2010	-$0.70
Dec2009	-$0.68
Dec2008	-$1.36
Dec2007	-$0.33
Dec2006	-$2.81
Dec2005	$0.75
Dec2004	$1.24
Dec2003	$0.56
Dec2002	$0.45
Dec2001	-$0.07
Dec2000	$0.46
Dec1999	$0.45

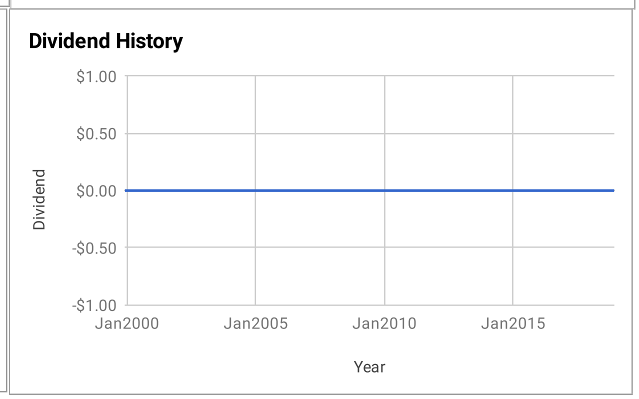
EPSmg History	
Next Fiscal Year Estimate	$0.87
Dec2018	$0.44
Dec2017	$0.04
Dec2016	-$0.19
Dec2015	-$0.47
Dec2014	-$0.64
Dec2013	-$0.88
Dec2012	-$1.21
Dec2011	-$0.43
Dec2010	-$0.92
Dec2009	-$0.98
Dec2008	-$0.92
Dec2007	-$0.51
Dec2006	-$0.38
Dec2005	$0.75
Dec2004	$0.67
Dec2003	$0.38

Balance Sheet Information	**12/1/2018**
Total Current Assets	$4,003,000,000
Total Current Liabilities	$5,260,000,000
Long-Term Debt	$4,797,000,000
Total Assets	$20,999,000,000
Intangible Assets	$14,283,000,000
Total Liabilities	$12,273,000,000
Shares Outstanding (Diluted Average)	1,406,200,000









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	[Boston Scientific Corp Valuation – May 2018 $BSX] [Most Overvalued Stocks of the S&P 500 – March 2017] [Boston Scientific Corp Valuation – January 2017 $BSX] [Boston Scientific Inc. Analysis – September 2015 Update $BSX] [23 Companies to Research This Week – 9/13/14]
Other ModernGraham posts about related companies	[Centene Corp Valuation – March 2019 $CNC] [Abbott Laboratories Valuation – February 2019 $ABT] [Becton Dickinson and Co Valuation – February 2019 $BDX] [IQVIA Holdings Inc Valuation – February 2019 $IQV] [Thermo Fisher Scientific Inc Valuation – February 2019 $TMO] [Illumina Inc Valuation – February 2019 $ILMN] [Waters Corp Valuation – February 2019 $WAT] [Cerner Corp Valuation – February 2019 $CERN] [HCA Healthcare Inc Valuation – February 2019 $HCA] [Stryker Corp Valuation – February 2019 $SYK]