

ModernGraham Valuation

Bristol-Myers Squibb
Co



Company Name:

Company Ticker BMY

Date of Analysis

4/2/2019

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	\$76,654,092,495	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.61	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	51.08%	Pass
6. Moderate PEmg Ratio	PEmg < 20	17.35	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.44	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	1.61	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.87	Pass
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	\$2.71
MG Growth Estimate	15.00%
MG Value	\$104.21
MG Value based on 3% Growth	\$39.25
MG Value based on 0% Growth	\$23.01
Market Implied Growth Rate	4.42%

MG Opinion

Current Price	\$46.95
% of Intrinsic Value	45.05%
Opinion	Undervalued
MG Grade	B

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.26
Graham Number	\$28.16
PEmg	17.35
Current Ratio	1.61
PB Ratio	5.44
Current Dividend	\$1.61
Dividend Yield	3.43%
Number of Consecutive Years of Dividend Growth	12

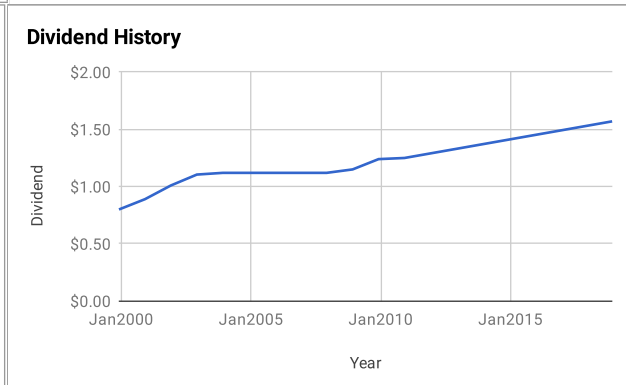
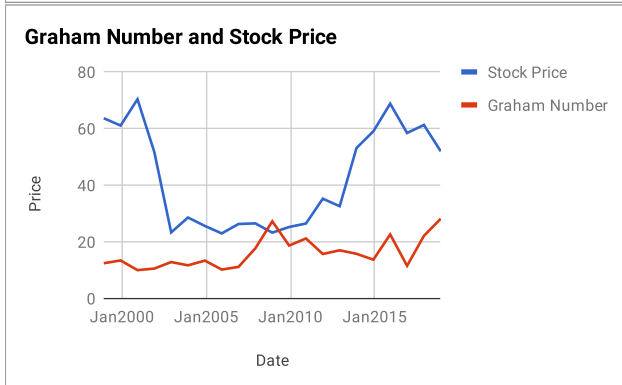
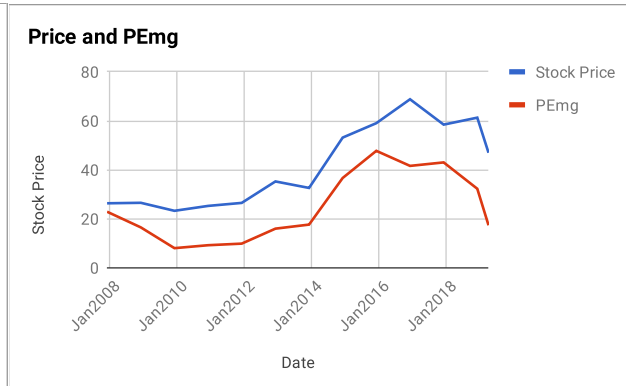
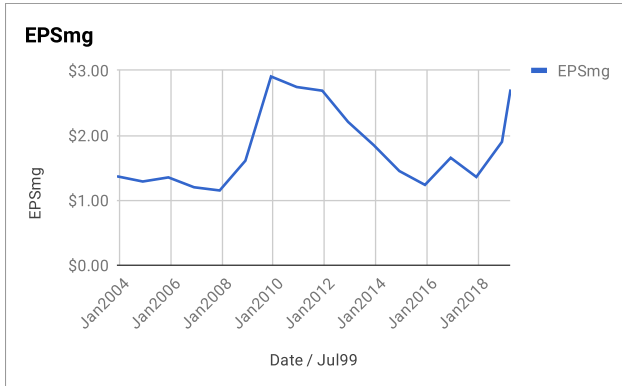
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.10	Next Fiscal Year Estimate	\$2.71
Dec2018	\$3.01	Dec2018	\$1.90
Dec2017	\$0.61	Dec2017	\$1.36
Dec2016	\$2.65	Dec2016	\$1.65
Dec2015	\$0.93	Dec2015	\$1.24
Dec2014	\$1.20	Dec2014	\$1.45
Dec2013	\$1.54	Dec2013	\$1.85
Dec2012	\$1.16	Dec2012	\$2.21
Dec2011	\$2.16	Dec2011	\$2.69
Dec2010	\$1.79	Dec2010	\$2.74
Dec2009	\$5.34	Dec2009	\$2.91
Dec2008	\$2.62	Dec2008	\$1.61
Dec2007	\$1.09	Dec2007	\$1.15
Dec2006	\$0.81	Dec2006	\$1.20
Dec2005	\$1.52	Dec2005	\$1.35
Dec2004	\$1.21	Dec2004	\$1.29
Dec2003	\$1.59	Dec2003	\$1.37
Dec2002	\$1.06	Balance Sheet Information 12/1/2018	
Dec2001	\$0.95	Total Current Assets	\$17,160,000,000
Dec2000	\$1.84	Total Current Liabilities	\$10,654,000,000
Dec1999	\$1.81	Long-Term Debt	\$5,646,000,000
		Total Assets	\$34,986,000,000
		Intangible Assets	\$7,629,000,000
		Total Liabilities	\$20,859,000,000
		Shares Outstanding (Diluted Average)	1,637,000,000





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.

Recommended Reading:

Other ModernGraham posts about the company

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- [Bristol-Myers Squibb Co Valuation – September 2017 \\$BMY](#)
- [Bristol-Myers Squibb Company Valuation – February 2016 \\$BMY](#)
- [27 Companies in the Spotlight This Week – 12/20/14](#)
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