

Becton Dickinson (BDX)

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- I. Company Overview
- II. Valuation
 - A. DCF Valuation
 - B. Sensitivity Analysis
 - C. Comparables Valuation
- III. Future Direction

I. Company Overview

Company Overview



Medical Technology Industry

\$3.5T
Market
Size



Edwards



B | BRAUN

Medtronic

Becton Dickinson (BDX)

Drug Delivery Systems

Surgical Systems

Medication Management

Serving
Over
190
Countries

\$20.2B
in revenue
for 2021

Ranked
#177
on 2021's
Fortune
500 list

May 2020 *most
recent equity offering*

Sept 2021 *most
recent debt offering*

I. Company Overview

II. Valuation

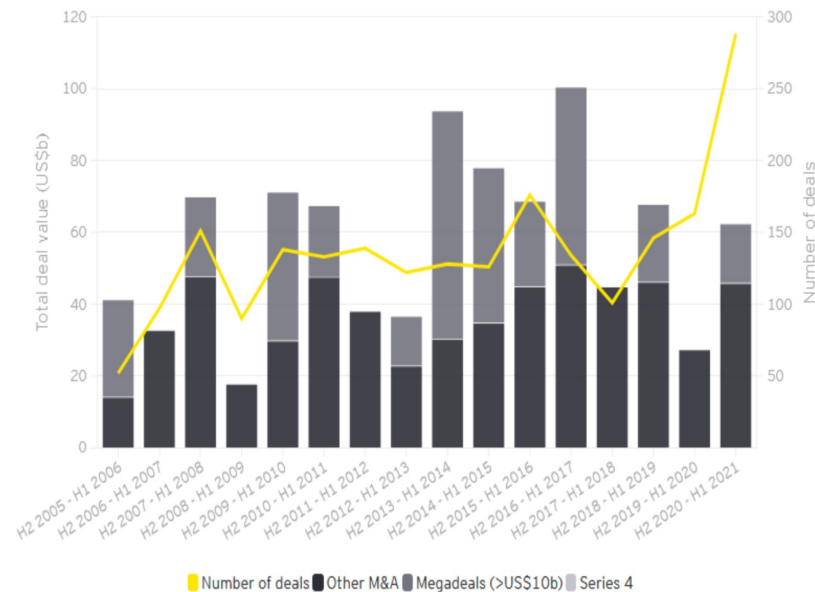
III. Future Outlook

Key Stats:

- Acquired 26 firms (8 in last 5 years)
- Spent over \$37.4 billion on M&A
- Plans to spend \$2 billion per year on M&A
- Target sectors: 1) Life Sciences; 2) Medical Products



M&A in the US and Europe by year:

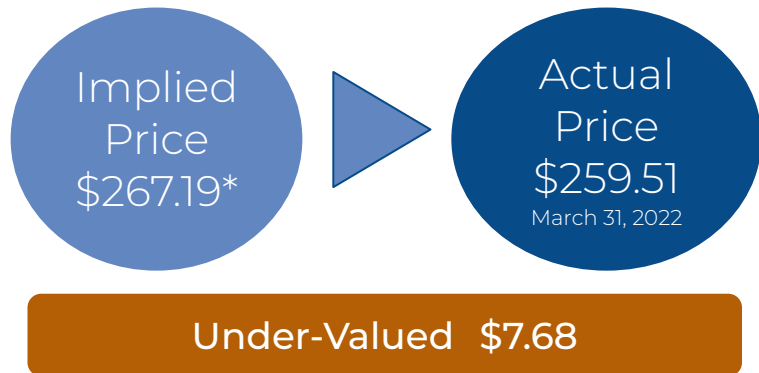


II. DCF Valuation

DCF Valuation

DCF Valuation Model

FCF	FY2022E	FY2023E	FY2024E	FY2025E	FY2026E
<i>(millions of dollars)</i>					
Revenue	19,900	20,531	21,186	21,864	22,568
COGS	9,084	9,372	9,671	9,981	10,302
OpEx	6,972	7,193	7,423	7,661	7,907
EBIT	3,844	3,966	4,092	4,223	4,359
Taxes	807	833	859	887	915
NOPAT	3,036	3,133	3,233	3,336	3,444
+ D&A	2,073	2,139	2,207	2,278	2,351
- Change in NWC	196	202	209	216	223
- CAPEX	1,317	1,564	1,826	2,103	2,396
FCF	3,596	3,505	3,405	3,295	3,176
Discount Factor	0.9498	0.9020	0.8567	0.8137	0.7728
Discounted FCF	3,415	3,162	2,917	2,681	2,454



Inputs:

Risk-Free Rate	2.47%
Beta	0.67
Risk Premium	5.5%
Cost of Equity	6.13%
Cost of Debt	2.41%
Tax Rate	21%
WACC	5.29%
Terminal Growth Rate	2%
PV(Terminal Value)	\$76,077

Major Assumptions:

- Annual revenue growth rates between -1.72% to 3.22% based on historical average adjusted for future prospects & market conditions in each segment
- All other inputs measured as a % of revenue
- WACC estimated from current debt outstanding and CAPM
- **Note: the reliability of our estimates are influenced significantly by large volatility in historical revenue growth rates**

I. Company Overview

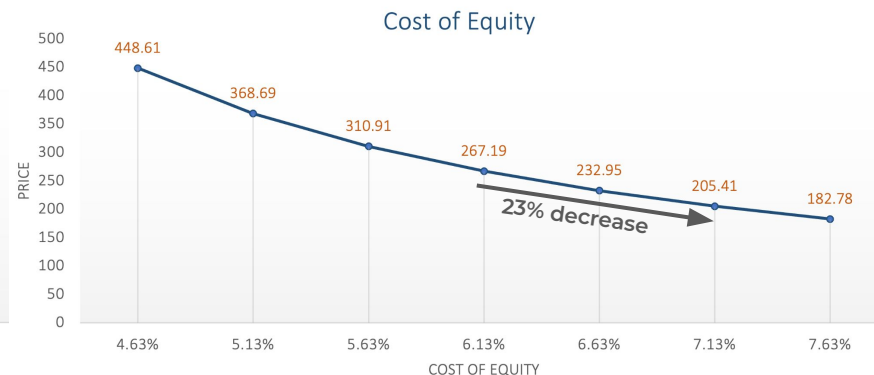
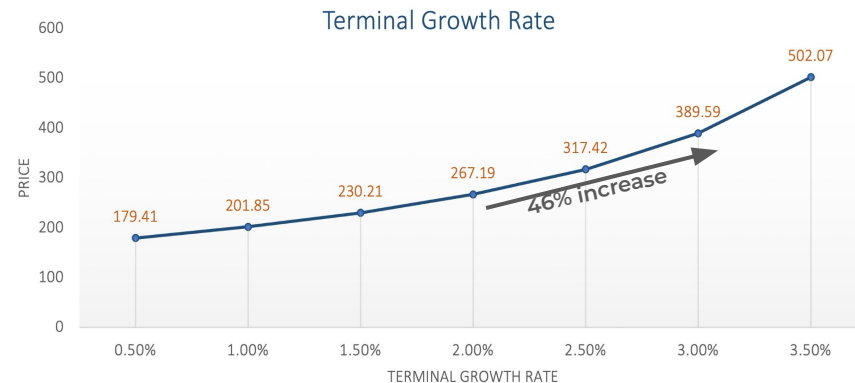
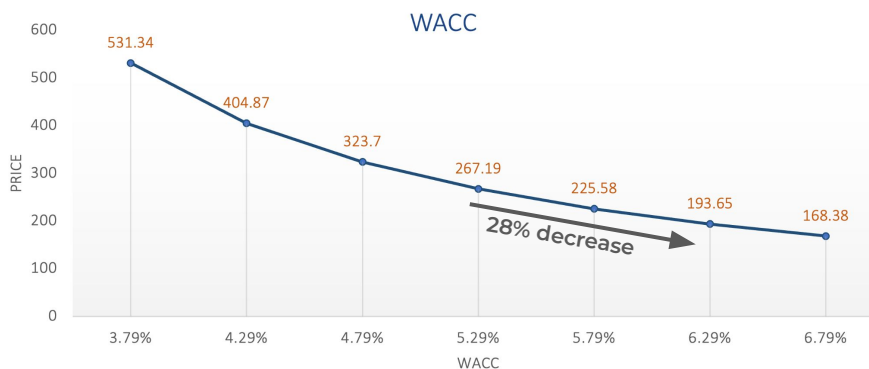
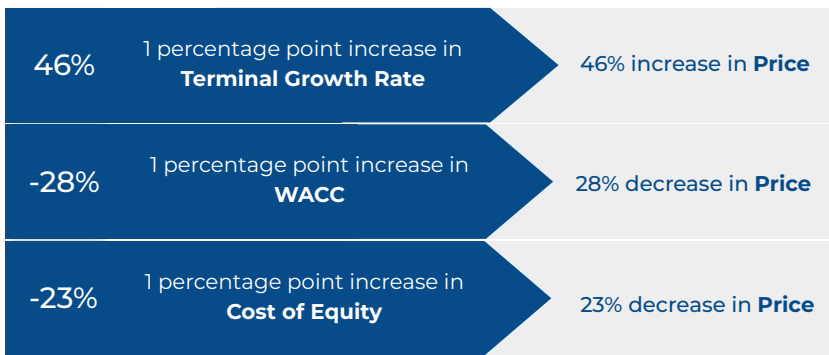
II. Valuation

III. Future Outlook

*All Prices in USD

[See Appendix for All Assumptions & Explanations](#)

Sensitivity Analysis



I. Company Overview

II. Valuation

III. Future Outlook

II. Comparables Valuation

Comparables Valuation



Peer Groups'
Avg PE LTM
45.6x

Peer Groups'
Avg EV/EBIT
34.41x

Avg Concluded
Fair Value
\$330.50

Actual Price,
Mar 31st, 2022
\$259.51

Over (Under)
Valued:
(\$70.99)

BDX Closing Prices Versus Model Predictions



III. Future Direction

Re-innovation of Infusion Pump



Problem

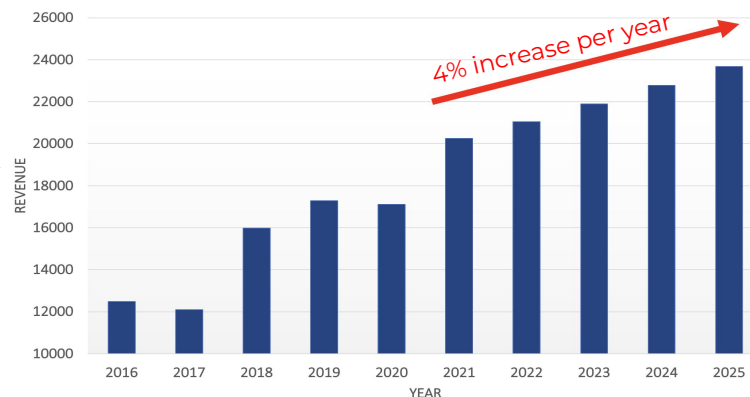
- Alaris Pump recalled 22x due to software malfunction
- Stock price dropped more than 13% on Feb 16th, 2020
- Negative impact on ESG rating
- Medical segment revenues declined 2.1% during 2020 Q1

Recommendation

- Change software & redesign to ensure the system has no chance of another defect
- Rename product to create a fresh brand image

Results

Estimated increase in annual revenue growth rate by 4% in the Medical Segment



Increase comparable market value from \$252.72 to \$300.90



Biosensors International Acquisition



BIOMATRIX™ α
DRUG ELUTING CORONARY STENT SYSTEM
alpha



ALPHA BY DESIGN

Pioneering Technology

Biosensors International operates globally, offering interventional devices and solutions for patients living with **Coronary Artery Disease**. We are proud of our track record and our continued innovation in the development of next-generation medical technologies, that make a difference to patients' lives around the world.

I. Company Overview

II. Valuation

III. Future Outlook

Biosensors International Acquisition



Revenues (Millions of dollars)	Three Months Ended September 30,		Reported Change	Foreign Currency Neutral Change ¹
	2021	2020		
BD Medical	\$ 2,532	\$ 2,318	9.2%	7.7%
BD Life Sciences	\$ 1,532	\$ 1,488	2.9%	1.5%
BD Interventional	\$ 1,071	\$ 978	9.5%	8.3%

1. Capital Allocation

BD is committed to a balanced capital allocation strategy **create value through tuck-in acquisitions**, and potential share repurchases, while maintaining full investment grade credit ratings.

In **BD Medical**, Medication Delivery Solutions revenue growth primarily reflects **improved utilization** and continued strong demand in the U.S. for **catheters and vascular care products**.

Biosensors International: BioMaxtrix Alpha



BA9: Coronary Stent Application



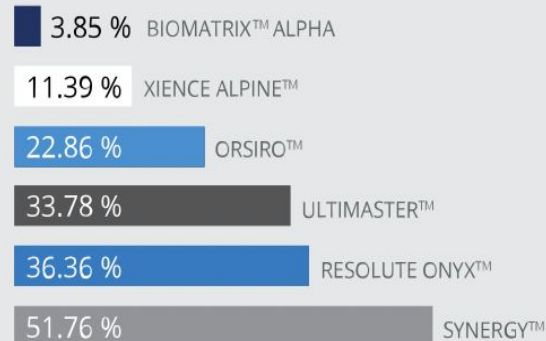
CELL OPENING²

Large cell opening for easy side branch access



LONGITUDINAL COMPRESSION^{2,6}

Lowest percentage change in length
High confidence when recrossing the stent



Coronary stents: **small, wire, mesh tubes that help widen a clogged artery and restore adequate blood flow to the heart.**

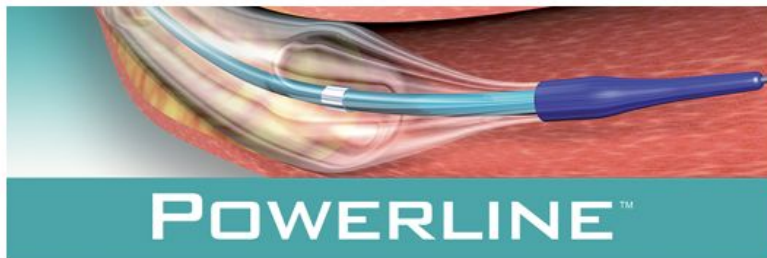
Bare Metal Stents (BMS)



Drug Eluting Balloons (DEB)



Balloon dilatation catheters

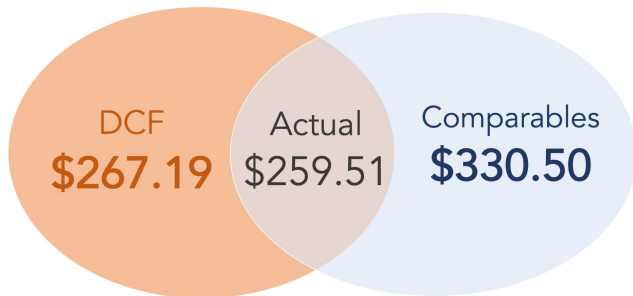


Summary

Company Overview

- **\$3.5T** Medical Technology Industry
- BD provides healthcare systems & accessible medical devices
- BD invests heavily in M&A transactions

Current Valuation



Conclusion: Under-Valued

Recommendations



1. Invest in Innovation of Infusion Pump



2. Acquire Biosensors International

Appendix

Model Assumptions (1-15)

Ref. #	Explanation of Assumption
1	The revenue growth rate is based on each segment's historical growth rate subject to adjustments based on current market conditions and future prospects.
2	COGS as % of revenue is used in our model since it is relatively stable over the years, and it is highly correlated with revenue. There are significant inflation pressures which are expected to increase the prices of raw materials. It is also stated in BD's 2021 Annual Report that costs of raw materials, transportation, construction and other necessary costs for production and distribution of products have increased significantly. These pressures on its supply chain are expected to continue to increase. Therefore, we have adjusted the COGS as a % of revenue to be 3% higher than the historical average from 2016-2021. (BD Annual Report 2021 page 15)
3	OpEx as % of revenue is used in our model since it is relatively stable over the years, and it is highly correlated with revenue. We then adjusted the cost to be a higher percentage as BD's costs are anticipated to increase. Firstly, the EU has recently adopted the EU Medical Device Regulation and the In Vitro Diagnostic Regulation which impose strict requirements for the marketing and sale of medical devices. Compliance and maintenance of medical devices subject to these regulations will increase operating expenses (BD Annual Report 2021 page 18). As mentioned in assumption 2, BD is subject to high inflation pressures which are expected to increase its operating expenses. In addition, the higher transportation and shipping costs as outlined in assumption 2 are expected to increase selling and administrative expenses. Overall, to account for these inflationary pressures on BD's costs, we have increased the OpEx as a % of revenues by 4% compared to the historical average.
4	D&A as % of revenue is used in our model since it is relatively stable over the years and D&A has a higher correlation with revenue compared to Net PPE.
5	Statutory US tax rate in 2021 is 21%.
6	The effective tax rate is much lower than federal statutory tax rate each year due to different foreign income tax on its foreign income (See BD Annual Report 2021 Note 16 - Income Taxes pg. 99 and BD Annual Report 2018 Note 16 - Income Taxes pg. 97). Since there is very high variability in the effective tax rate and we cannot reasonably predict the changes in the tax rates for each foreign country that BD operates in, we assume the US statutory tax rate of 21%.
7	It is more reasonable to use change in NWC as a % of revenue since the annual growth rate is very volatile with a high standard deviation.
8	CAPEX as % of revenue is used in our model since it is relatively stable over the years, and it is highly correlated with revenue. We increased CAPEX as a % of revenue by 2% of the previous year as the CAPEX has been increasing each year from 2016 to 2021, with the exception of 2020 which was affected by the COVID-19 pandemic. Furthermore, management has expressed its strategy of geographic expansion which supports our assumption. (BD Annual Report 2021 page 39)
9	Increased revenue growth by .25 percentage points in bull case supported by an increase in the aging baby boomer population, an increase in chronic disease prevalence, and an assumed increase in elective procedures as virus eliminates all increasing demand.
10	COGS as % of revenue in the Bull case is decreased by 1 percentage point as supported in the company successfully cutting manufacturing and supplier costs.
11	OpEx as a % of revenue in the Bull case decreases by 1 percentage point as supported in successfully cutting operational expenses.
12	We assume that D&A as a % of revenue decreases in the Bull case by one percentage point.
13	We assume that CAPEX as a % of revenue in the Bull case decreases by 0.2 percentage points. We adjust for a small decrease as we believe that it is unlikely that the firm will decrease capital expenditures based on its increased spending on capital expenditures in the past few years.
14	We assume that net working capital as % of revenue increases by 0.5 percentage points in the Bull case.
15	Effective tax rate decreases in the Bull case to account for possible decrease compared to the statutory rate, especially due to foreign tax rate fluctuations.

Appendix



Model Assumptions (16-30):

Ref. #	Explanation of Assumption
16	Revenue growth decreases in Bear market as explained potentially due to maturing product lines and inability of company to continually innovate.
17	Increased COGS as % of revenue in Bear case by 3 percentage points relating to increased supply chain challenges, higher shipping costs, and cost inflation.
18	Increasing OPEX as % of revenue in Bear case due to continued inflation, higher supply chain challenges, and higher shipping costs.
19	D&A as a % of revenue increases in Bear case as the company is investing in fixed assets as seen in the cash flow statement.
20	We assume in the Bear case that capital expenditures as % of revenue increases by 2 percentage points as it is probable that capital expenditures will increase based on the historical trend of increased capital expenditures over the years.
21	In the Bear case, we assume that the change in NWC as % of revenue decreases by 0.5 percentage points.
22	In the Bear case, effective tax rate increases to account for possible increase compared to the statutory rate, especially due to foreign tax rate fluctuations.
23	BD has announced that it will spin-off the Diabetes Care Unit which produced \$1.16 billion in revenue in FY2021 (BD Annual Report 2021 page 27). We adjust the revenue of FY2022 down by the same amount multiplied by the average annual growth rate of the past 5 years to arrive at a negative annual growth rate for the year. The average of the past five year's annual revenue growth rate is used as the base for our projections of the annual growth rate in the next four years and it is multiplied by ratio of all of the other revenues excluding the Diabetes Care unit over the total revenues in the Medical Segment in 2021 to account for a lower growth due to the loss of the unit (BD Annual Report 2021 page 27). We did not adjust for COVID-19 impacts on revenues as the decrease in the growth rate in FY2020 due to COVID-19 related pressures is offset by the increase in the growth rate in FY2021.
24	The BD Life Sciences Segment experienced tremendous growth in revenues in FY2021 largely due to its COVID testing systems. The FY2022 is adjusted down to be the historical growth rate as demand for testing kits is expected to decrease as the pandemic conditions are anticipated to improve. We then further decreased the growth rate in FY2022 by 5% due to a product recall of Alaris which accounts for a large portion of the Medical Segment revenues. Although the liabilities incurred from the recall are only around \$156 million with respect to remediation costs (BD Annual Report 2021 page 28), we assume that there will be lost sales due to its impact on customer perception and decreased ESG reporting score. The FY2023, FY2024, FY2025 and FY2026 annual growth rates take the average of the growth rates from FY2017-FY2020, which excludes the high demand in FY2021, and is further adjusted downward to account for the Alaris product recall (BD Annual Report 2021 pg. 21).
25	For the BD Interventional Segment, the average of the historical annual revenue growth rate is used as the base for our projections of the annual growth rate in the next five years. However, we remove the annual growth rate in 2019 as it reflects an inflated increase due to the inclusion of revenues from a new acquisition (BD Annual Report 2019 page 28). We believe this segment will continue to grow as the company has invested a consistent amount as capital expenditures into this segment with \$120 million, \$119 million, and \$125million in FY2019, FY2020, and FY2021 respectively (BD Annual Report 2021 page 76). We did not adjust for COVID-19 impacts on revenues as the decrease in the growth rate in 2020 due to COVID-19 related pressures is offset by the increase in the growth rate in FY2021.
26	We assumed that the terminal growth rate is 2% with a conservative estimate aligned with the target inflation rate of the Federal Reserve. This is below the historical average GDP growth rate of around 3.14% from 1948 until 2021.
27	Since the cash flows are discounted to the fiscal year end of the company of September 31, 2021, under our DCF model, we adjust the discounted time period to discount back to January 24, 2022.
28	Located comparable companies through FactSet, filtering through General Medical Devices in the North American region, with market caps over 10,000,000
29	Benchmark 10-year American treasury yield as of March 25th, 2022. (see screenshot below)
30	Risk premium in the US has an average of 5.5% in 2021, where the historical average has been between 5.2%-5.7%. Thus, we believe that a 5.5% estimate is reasonable.

Growth Rates used for FCF Elements

Base Case	FY2016A	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022E	FY2023E	FY2024E	FY2025E	FY2026E
Revenue Growth		-3.12%	32.17%	8.18%	-1.00%	18.29%	-1.72%	3.17%	3.19%	3.20%	3.22%
COGS as a % of Revenue	43.60%	43.10%	42.91%	39.75%	43.87%	42.66%	45.65%	45.65%	45.65%	45.65%	45.65%
OpEx as a % of Revenue	30.71%	30.59%	31.41%	31.20%	31.67%	30.65%	35.04%	35.04%	35.04%	35.04%	35.04%
D&A as a % of Revenue	8.41%	7.76%	11.61%	12.32%	11.86%	10.54%	10.42%	10.42%	10.42%	10.42%	10.42%
CAPEX as a % of Revenue	5.75%	6.01%	5.60%	5.53%	4.73%	6.08%	6.62%	7.62%	8.62%	9.62%	10.62%
Change in NWC as % of Revenue	3.20%	-3.07%	5.61%	-2.13%	0.66%	1.65%	0.99%	0.99%	0.99%	0.99%	0.99%
Effective Tax Rate	9.12%	-12.70%	73.49%	-4.85%	11.27%	6.69%	21.00%	21.00%	21.00%	21.00%	21.00%

Appendix



Analysis	FY2016A	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A
<i>(millions of dollars)</i>						
Medical	8,654	8,105	8,616	9,064	8,680	9,479
Annual Growth Rate		-6.34%	6.30%	5.20%	-4.24%	9.21%
% of Total Revenues		67.02%	53.91%	52.42%	50.71%	46.81%
Life Sciences	3,829	3,988	4,330	4,300	4,675	6,530
Annual Growth Rate		4.15%	8.58%	-0.69%	8.72%	39.68%
% of Total Revenues		32.98%	27.09%	24.87%	27.31%	32.25%
Interventional	0	0	3,037	3,926	3,762	4,239
Annual Growth Rate				29.27%	-4.18%	12.68%
% of Total Revenues			19.00%	22.71%	21.98%	20.94%
	12,483	12,093	15,983	17,290	17,117	20,248
Annual Growth Rate		-3.12%	32.17%	8.18%	-1.00%	18.29%

Average	SD
2.03%	6.88%
12.09%	15.90%
12.59%	16.72%
10.90%	14.60%

Historical Statistics of Revenues in Each Segment

Revenue Growth Rates Used in Model

Revenue Build	FY2016A	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022E	FY2023E	FY2024E	FY2025E	FY2026E
<i>(millions of dollars)</i>											
Medical	8,654	8,105	8,616	9,064	8,680	9,479	8,488	8,638	8,792	8,948	9,107
Annual Growth Rate		-6.34%	6.30%	5.20%	-4.24%	9.21%	-10.46%	1.78%	1.78%	1.78%	1.78%
% of Total Revenues		67.02%	53.91%	52.42%	50.71%	46.81%	42.65%	42.07%	41.50%	40.93%	40.36%
Life Sciences	3,829	3,988	4,330	4,300	4,675	6,530	6,993	7,286	7,591	7,909	8,240
Annual Growth Rate		4.15%	8.58%	-0.69%	8.72%	39.68%	7.09%	4.19%	4.19%	4.19%	4.19%
% of Total Revenues		32.98%	27.09%	24.87%	27.31%	32.25%	35.14%	35.49%	35.83%	36.17%	36.51%
Interventional	0	0	3,037	3,926	3,762	4,239	4,419	4,607	4,803	5,007	5,220
Annual Growth Rate		n/a	n/a	29.27%	-4.18%	12.68%	4.25%	4.25%	4.25%	4.25%	4.25%
% of Total Revenues		n/a	19.00%	22.71%	21.98%	20.94%	22.21%	22.44%	22.67%	22.90%	23.13%
Total Revenue	12,483	12,093	15,983	17,290	17,117	20,248	19,900	20,531	21,186	21,864	22,568
Annual Growth Rate		-3.12%	32.17%	8.18%	-1.00%	18.29%	-1.72%	3.17%	3.19%	3.20%	3.22%

Historical Statistics of FCF Elements

Analysis	FY2016A	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	Average	Standard Deviation	Correl. with Revenue
<i>(millions of dollars)</i>									
From Income Statement									
Revenue	12,483	12,093	15,983	17,290	17,117	20,248			100.00%
Revenue Annual Growth Rate		-3.12%	32.17%	8.18%	-1.00%	18.29%	10.90%	14.60%	100.00%
COGS	5,442	5,212	6,859	6,872	7,510	8,638			
COGS as a % of Revenue	43.60%	43.10%	42.91%	39.75%	43.87%	42.66%	42.65%	1.49%	98.22%
COGS Annual Growth Rate		-4.23%	31.60%	0.19%	9.28%	15.02%	10.37%	14.06%	89.08%
OpEx	3,833	3,699	5,020	5,394	5,421	6,206			
OpEx as a % of Revenue	30.71%	30.59%	31.41%	31.20%	31.67%	30.65%	31.04%	0.45%	99.73%
OpEx Annual Growth Rate		-0.38%	2.68%	-0.67%	1.52%	-3.22%	-0.02%	2.26%	16.95%
D&A	1,050	939	1,855	2,130	2,030	2,134			
D&A as a % of Revenue	8.41%	7.76%	11.61%	12.32%	11.86%	10.54%	10.42%	1.91%	93.76%
D&A as a % of Net PPE	26.92%	20.25%	34.51%	37.64%	32.01%	31.20%	30.42%	6.13%	87.72%
D&A Annual Growth Rate		-10.57%	97.55%	14.82%	-4.69%	5.12%	20.45%	44.17%	88.22%
Effective Tax Rate	9.12%	-12.70%	73.49%	-4.85%	11.27%	6.69%	13.84%	30.63%	12.98%
From Balance Sheet									
Net PPE	3,901	4,638	5,375	5,659	6,341	6,839			
Net PPE as a % of Revenue	31.25%	38.35%	33.63%	32.73%	37.05%	33.78%	34.46%	2.69%	93.93%
Net PPE Annual Growth Rate		18.89%	15.89%	5.28%	12.05%	7.85%	11.99%	5.59%	-8.24%
From Cash Flow Statement									
Change in NWC	399	-371	897	-369	113	334			
Change in NWC as % of Revenue	3.20%	-3.07%	5.61%	-2.13%	0.66%	1.65%	0.99%	3.26%	16.18%
Change in NWC Annual Growth Rate		-192.98%	-341.78%	-141.14%	-130.62%	195.58%	-122.19%	196.62%	-10.25%
CAPEX	718	727	895	957	810	1,231			
CAPEX as a % of Revenue	5.75%	6.01%	5.60%	5.53%	4.73%	6.08%	5.62%	0.49%	90.12%
CAPEX as a % of Net PPE	18.41%	15.67%	16.65%	16.91%	12.77%	18.00%	16.40%	2.03%	78.80%
CAPEX Annual Growth Rate		1.25%	23.11%	6.93%	-15.36%	51.98%	13.58%	25.49%	68.65%

Appendix:



DCF Valuation Model

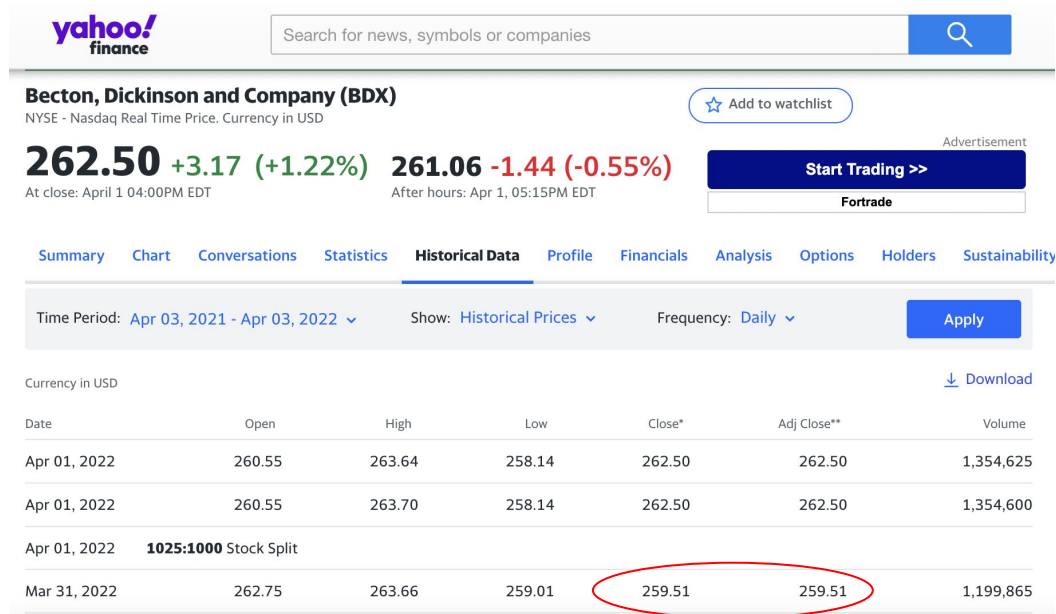
FCF	FY2016A	FY2017A	FY2018A	FY2019A	FY2020A	FY2021A	FY2022E	FY2023E	FY2024E	FY2025E	FY2026E	Terminal Value
(millions of dollars)												
Revenue	12,483	12,093	15,983	17,290	17,117	20,248	19,900	20,531	21,186	21,864	22,568	Terminal Year FY2027
COGS	5,442	5,212	6,859	6,872	7,510	8,638	9,084	9,372	9,671	9,981	10,302	Terminal Cash Flow 3,239
OpEx	3,833	3,699	5,020	5,394	5,421	6,206	6,972	7,193	7,423	7,661	7,907	Terminal Growth Rate 2.00%
EBIT	3,208	3,182	4,104	5,024	4,186	5,404	3,844	3,966	4,092	4,223	4,359	Discount Rate 5.29%
Taxes	293	-404	3,016	-244	472	362	807	833	859	887	915	Terminal Value 98,445
NOPAT	2,915	3,586	1,088	5,268	3,714	5,042	3,036	3,133	3,233	3,336	3,444	PV of Terminal Value 76,077
+ D&A	1,050	939	1,855	2,130	2,030	2,134	2,073	2,139	2,207	2,278	2,351	
- Change in NWC	399	-371	897	-369	113	334	196	202	209	216	223	
- CAPEX	718	727	895	957	810	1,231	1,317	1,564	1,826	2,103	2,396	
FCF	2,848	4,169	1,151	6,810	4,821	5,611	3,596	3,505	3,405	3,295	3,176	
Discount Factor							0.9498	0.9020	0.8567	0.8137	0.7728	
Discounted FCF							3,415	3,162	2,917	2,681	2,454	

Value Per Share	
Enterprise Value	90,706
Debt	18,520
Cash	2,404
FCFE	74,590
No. of Shares	285
Value per Share	261.93
Value per Share, Jan 24, 2022	267.19
Actual Value per Share, Jan 24, 2022	252.72
Under Valued	-14.47

Appendix

BD Closing Price as at March 31, 2022

<https://finance.yahoo.com/quote/BDX/history?p=BDX>



Sensitivity Analysis

Change in Value per Share Estimated by DCF
Model for Change in Terminal Growth & Tax Rate

		Terminal Growth						
		0.50%	1.00%	1.50%	2.00%	2.50%	3.00%	3.50%
Tax Rate	36%	182.90	206.13	235.60	274.24	327.08	403.75	525.04
	31%	181.72	204.69	233.78	271.85	323.81	398.93	517.17
	26%	180.56	203.26	231.99	269.50	320.59	394.21	509.52
	21%	179.41	201.85	230.21	267.19	317.42	389.59	502.07
	16%	178.27	200.46	228.46	264.91	314.31	385.06	494.81
	11%	177.14	199.08	226.73	262.66	311.25	380.63	487.75
	6%	176.03	197.71	225.02	260.44	308.25	376.29	480.87

Change in Value per Share Estimated by DCF
Model for Change in Cost of Debt & Cost of Equity

		WACC						
		3.79%	4.29%	4.79%	5.29%	5.79%	6.29%	6.79%
Terminal Growth	0.50%	283.72	239.79	206.09	179.41	157.77	139.86	124.80
	1.00%	336.68	278.09	234.95	201.85	175.66	154.40	136.82
	1.50%	412.76	330.12	272.58	230.21	197.71	171.98	151.11
	2.00%	531.34	404.87	323.70	267.19	225.58	193.65	168.38
	2.50%	741.83	521.37	397.14	317.42	261.92	221.04	189.68
	3.00%	1218.67	728.16	511.61	389.59	311.28	256.76	216.60
	3.50%	3338.41	1196.64	714.79	502.07	382.20	305.27	251.71

Change in Value per Share Estimated by DCF
Model for Change in WACC & Terminal Growth

		Cost of Equity						
		4.63%	5.13%	5.63%	6.13%	6.63%	7.13%	7.63%
Cost of Debt	0.91%	511.76	412.26	342.78	291.52	252.13	220.92	195.58
	1.41%	489.00	396.76	331.55	283.00	245.46	215.55	191.16
	1.91%	468.02	382.26	320.94	274.90	239.07	210.38	186.89
	2.41%	448.61	368.69	310.91	267.19	232.95	205.41	182.78
	2.91%	430.61	355.94	301.41	259.84	227.09	200.63	178.81
	3.41%	413.87	343.95	292.40	252.82	221.47	196.03	174.97
	3.91%	398.26	332.64	283.84	246.11	216.08	191.59	171.26

Valuation by Multiples

Company Name	Valuation (x) EV/ EBIT	P/E (x) Actual
Becton, Dickinson	32.53x	46.25x
Edwards Lifesciences	42.69x	46.84x
Boston Scientific	36.76x	64.51x
Stryker Corp	30.11x	50.96x
Intuitive Surgical	53.64x	60.79x
Baxter Intl	26.45x	31.27x
Danaher	28.68x	33.58x
Abbott Laboratories	24.41x	30.93x
Average	34.41x	45.64x

Implied Equity Value, and Share Price

Valuation by Multiples - PE LTM	
Peer Group's PE Ratio LTM	45.6x
LTM Net Income	2,002
Equity Value	91,376
Number of Shares Outstanding	285
Implied Share Price	320.88
Actual Share Price Jan 24th, 2022	252.70
Over (under) valued	-68.18

Valuation by Multiples - EV/EBIT	
Peer Group's EV/EBIT	34.41
BDX EBIT	2815
Enterprise Value	96860
Number of Shares Outstanding	285
Implied Share Price	340.13
Actual Share Price Jan 24th, 2022	252.70
Over (under) valued	-87.43

Valuation by Multiples - Conclusion	
Concluded Fair Value	330.50
Actual Share Price Jan 24th, 2022	252.70
Over (under) valued	-77.80