

## The IC Screener: Bed Bath & Beyond

A great way of finding investment ideas is to read what others are writing on new ideas. And every now and then, a new idea is found by using “screening technologies”. Probably the most advanced screener in the business is [the Gurufocus screener](#).

There is this uncomfortable contradiction that tells me that you do not need “screening” to be successful in investing. My best ideas were found by reading and studying. Not by screening. And still, I look at screening results. Anyhow. Screening can be very handy when you look for instance for high ROIC stocks in China.

Last month I wrote about United Therapeutics, a company found by using the screening technology of the Acquirers Multiple of Tobias Carlyle. This month we have a look at **Bed Bath & Beyond**, a company found by the Stocks & Screens Report by Benjamin Clark. Benjamin is one of TipRank's top bloggers. He is the founder of **ModernGraham.com**, a value investing website devoted to the study and modernization of the teachings of Benjamin Graham.

On [my website](#), I write a lot about “Intelligent Cloning.” The idea of Intelligent Cloning is all about combining Ben Graham thinking on risk aversion with the Munger rule nr. 1 on how to become a successful investor. You could argue that Intelligent Cloning is a screening approach, very similar to the Acquirer's Multiple® screening approach of Tobias Carlyle.

The **Intelligent Cloning (IC) screener** I prefer to use tells me that the Value Creation Engine (VCE) of Bed Bath & Beyond is 47.4, which is exceptionally high. Everything above 40 is considered “high quality”. And the undervaluation of Bed Bath & Beyond is above 50%, which is also very exceptional. So thank you, Benjamin, for bringing up such a great idea!

Founded in 1971, [Bed Bath & Beyond Inc.](#) and subsidiaries is an omnichannel retailer offering a wide selection of domestics merchandise and home furnishings. The Company's mission is to be trusted by its customers as the expert for the home and “heart-related” life events. These include certain life events that evoke strong emotional connections such as getting married, moving to a new home, having a baby, going to college and decorating a room, which the Company

supports through its wedding and baby registries, new mover and student life programs, and its design consultation services.

The Company operates a robust ecommerce platform consisting of various websites and applications, and an established retail store base under the names of Bed Bath & Beyond, Christmas Tree Shops, Christmas Tree Shops andThat! or andThat!, Harmon, Harmon Face Values or Face Values, buybuy BABY, World Market, Cost Plus World Market or Cost Plus. In addition, the Company operates:

- Of a Kind, Inc., an e-commerce website that features specially commissioned, limited edition items from emerging fashion and home designers;
- One Kings Lane, Inc., an authority in home décor and design offering a unique collection of select home goods, designer and vintage items;
- PersonalizationMall.com, an industry-leading online retailer of personalized products;
- Chef Central, a retailer of kitchenware, cookware and homeware items catering to cooking and baking enthusiasts;
- Decorist, Inc., an online interior design platform that provides personalized home design services;
- Linen Holdings, a provider of a variety of textile products, amenities, and other goods to institutional customers in the hospitality, cruise line, healthcare and other industries.

Additionally, the Company is a partner in a joint venture which operates eight retail stores in Mexico under the name Bed Bath & Beyond.

Bed Bath & Beyond can be found in the portfolios of investing legends like Ray Dalio, Lee Ainslie and Steven Cohen (Source: Gurufocus.Com).

*This presentation and the information contained herein are for educational and informational purposes only and do not constitute, and should not be construed as, an offer to sell, or a solicitation of an offer to buy, any securities or related financial instruments. Responses to any inquiry that may involve the rendering of personalized investment advice or effecting or attempting to effect transactions in securities will not be made absent compliance with applicable laws or regulations (including broker dealer, investment adviser or applicable agent or representative registration requirements), or applicable exemptions or exclusions therefrom. The Value Firm® makes no representation, and it should not be assumed, that past investment performance is an indication of future results. Moreover, wherever there is the potential for profit there is also the possibility of loss.*

*Always do your own research!*

*If you want to receive my writings directly via e-mail, just drop me an e-mail: [peter@thevaluefirm.com](mailto:peter@thevaluefirm.com).*