

ModernGraham Valuation

Company Name:

Company Ticker EW

Date of Analysis

9/11/2015

Edwards Lifesciences Corp



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	\$14,980,429,343	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	5.16	Pass
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	387.66%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	30.81	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.68	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	5.16	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.32	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.51
MG Growth Estimate	15.00%
MG Value	\$173.71
MG Value based on 3% Growth	\$65.42
MG Value based on 0% Growth	\$38.35
Market Implied Growth Rate	11.16%

MG Opinion

Current Price	\$139.02
% of Intrinsic Value	80.03%
Opinion	Fairly Valued

Stage 3: Information for Further Research

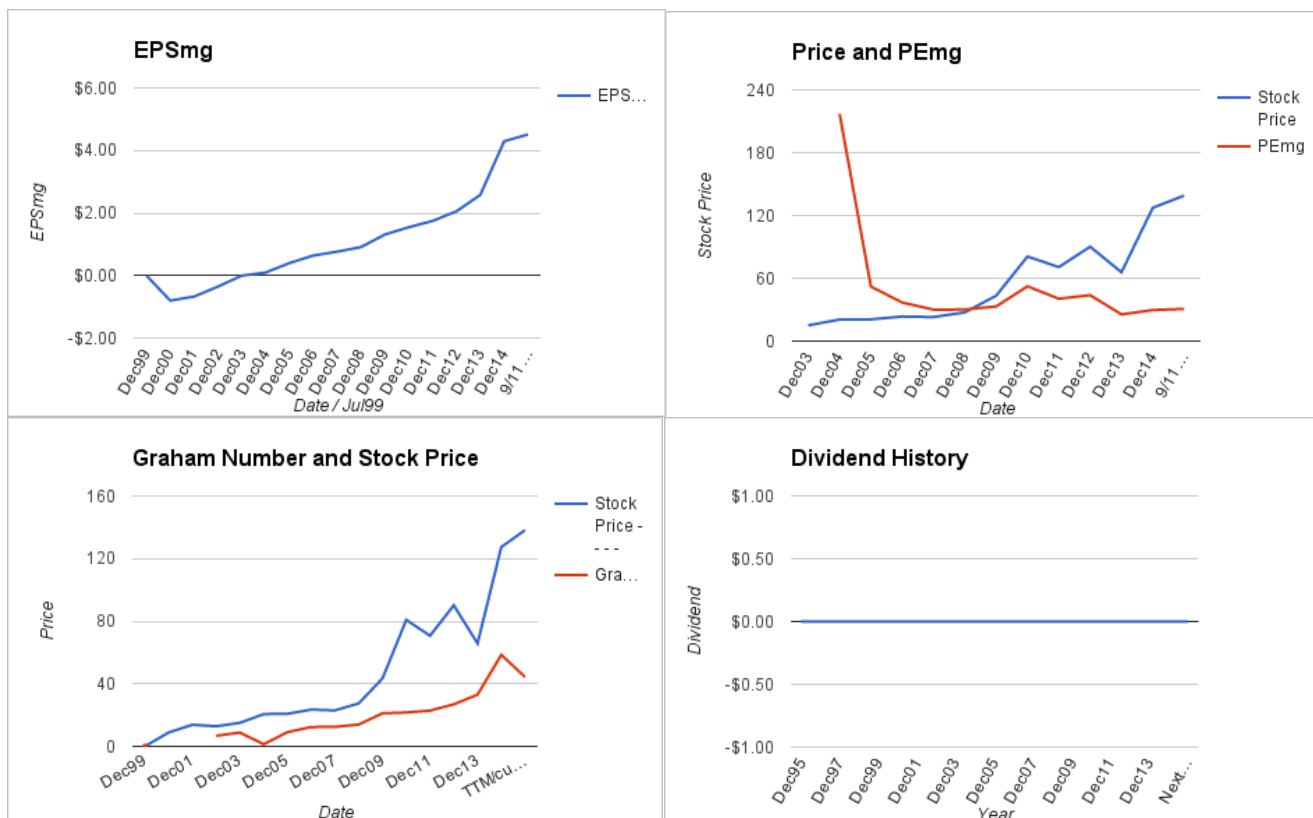
Net Current Asset Value (NCAV)	\$8.88
Graham Number	\$44.34
PEmg	30.81
Current Ratio	5.16
PB Ratio	6.68
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

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

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.10	Next Fiscal Year Estimate	\$4.51
Dec14	\$7.48	Dec14	\$4.29
Dec13	\$3.44	Dec13	\$2.58
Dec12	\$2.48	Dec12	\$2.05
Dec11	\$1.98	Dec11	\$1.75
Dec10	\$1.83	Dec10	\$1.54
Dec09	\$1.95	Dec09	\$1.31
Dec08	\$1.10	Dec08	\$0.91
Dec07	\$0.94	Dec07	\$0.76
Dec06	\$1.05	Dec06	\$0.64
Dec05	\$0.64	Dec05	\$0.40
Dec04	\$0.02	Dec04	\$0.10
Dec03	\$0.65	Dec03	\$0.00
Dec02	\$0.46	Dec02	-\$0.35
Dec01	-\$0.10	Dec01	-\$0.67
Dec00	-\$2.41	Dec00	-\$0.80
Dec99	\$0.00	Dec99	\$0.00
Dec98	\$0.00	Balance Sheet Information Jun15	
Dec97	\$0.00	Total Current Assets	\$2,297,000,000
Dec96	\$0.00	Total Current Liabilities	\$445,200,000
Dec95	\$0.00	Long-Term Debt	\$600,300,000
		Total Assets	\$3,608,300,000
		Intangible Assets	\$389,800,000
		Total Liabilities	\$1,319,700,000
		Shares Outstanding (Diluted Average)	110,000,000





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

[The Best Companies of the Medical Industry – June 2015](#)
[The 6 Best Stocks For Value Investors This Week – 6/13/15](#)
[Edwards Lifesciences Corporation Analysis – June 2015 Update \\$EW](#)
[18 Companies in the Spotlight This Week – 3/15/15](#)
[Edwards Lifesciences Corporation Quarterly Valuation – March 2015 \\$EW](#)

Other
ModernGraham
posts about related
companies

[Cerner Corporation Analysis – September 2015 Update \\$CERN](#)
[Boston Scientific Inc. Analysis – September 2015 Update \\$BSX](#)
[Intuitive Surgical Inc. Analysis – September 2015 Update \\$ISRG](#)
[Dentsply International Inc. Analysis – August 2015 Update \\$XRAY](#)
[Becton Dickinson & Company Analysis – August 2015 Update \\$BDX](#)
[Align Technology Analysis – Initial Coverage \\$ALGN](#)
[Varian Medical Systems Inc Analysis – August 2015 Update \\$VAR](#)
[Psychemedics Corporation Analysis – August 2015 Update \\$PMD](#)
[C.R. Bard Inc. Analysis – August 2015 Update \\$BCR](#)
[Thermo Fisher Scientific Inc. Analysis – 2015 Update \\$TMO](#)