# **ModernGraham Valuation**

### **Company Name:**

Medtronic PLC

Company Ticker MDT Date of Analysis

10/13/2015



## 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.

	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$102,785,253,834 Pass
:	2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.81 Pass
;	3. Earnings Stability	Positive EPS for 10 years prior	Pass
4	Dividend Record	Dividend Payments for 10 years prior	Pass
		Increase of 33% in EPS in past 10 years using 3 year averages at	
;	5. Earnings Growth	beginning and end	57.10% Pass
(	6. Moderate PEmg Ratio	PEmg < 20	21.71 Fail
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.98 Pass

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	3.81 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.57 Fail
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	Pass

Suitability

Defensive Yes
Enterprising Yes

### Stage 2: Determination of Intrinsic Value

EPSmg	\$3.36
MG Growth Estimate	2.79%
MG Value	\$47.33
MG Value based on 3% Growth	\$48.72
MG Value based on 0% Growth	\$28.56
Market Implied Growth Rate	6.60%

MG Opinion

Current Price \$72.94 % of Intrinsic Value 154.13%

Opinion Overvalued

### Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.78
Graham Number	\$60.13
PEmg	21.71
Current Ratio	3.81
PB Ratio	1.98
Dividend Yield	1.78%
Number of Consecutive Years of Dividend Growth	20

Morningstar

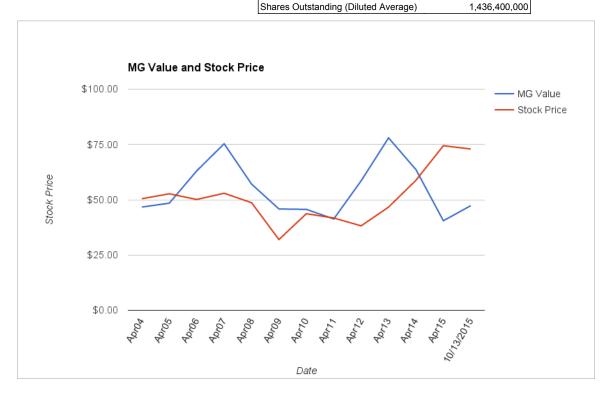
Useful Links: ModernGraham tagged articles

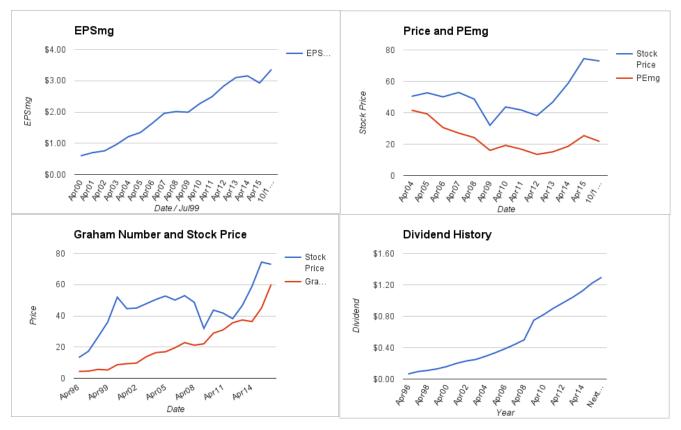
 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.31	Next Fiscal Year Estimate	\$3.36
Apr15	\$2.41	Apr15	\$2.93
Apr14	\$3.02	Apr14	\$3.15
Apr13	\$3.37	Apr13	\$3.10
Apr12	\$3.41	Apr12	\$2.83
Apr11	\$2.86	Apr11	\$2.49
Apr10	\$2.79	Apr10	\$2.27
Apr09	\$1.84	Apr09	\$1.99
Apr08	\$1.95	Apr08	\$2.01
Apr07	\$2.41	Apr07	\$1.96
Apr06	\$2.09	Apr06	\$1.64
Apr05	\$1.48	Apr05	\$1.34
Apr04	\$1.60	Apr04	\$1.21
Apr03	\$1.30	Apr03	\$0.96
Apr02	\$0.80	Apr02	\$0.76
Apr01	\$0.85	Apr01	\$0.70
Apr00	\$0.89	Apr00	\$0.60
Apr99	\$0.39	Balance Sheet Information	Jul15
Apr98	\$0.51	Total Current Assets	\$29,147,000,000
Apr97	\$0.50	Total Current Liabilities	\$7,660,000,000
Apr96	\$0.45	Long-Term Debt	\$33,709,000,000
		Total Assets	\$104,626,000,000
		Intangible Assets	\$68,356,000,000
		Total Liabilities	\$51,817,000,000
		Shares Outstanding (Diluted Average)	1 436 400 000





#### 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 Medtronic Inc. Analysis – July 2015 Update \$MDT
27 Companies in the Spotlight This Week – 4/4/15
Medtronic plc Quarterly Valuation – March 2015 \$MDT
15 Companies in the Spotlight This Week – 12/27/14
Medtronic Inc. Quarterly Valuation – December 2014 \$MDT

Other ModernGraham posts about related companies

PerkinElmer Inc. Analysis – October 2015 Update \$PKI

 $\underline{\text{Quest Diagnostics Inc. Analysis - October 2015 Update \$DGX}}$ 

Stryker Corporation Analysis – October 2015 Update \$SYK

The Best Companies of the Medical Industry – September 2015

Zimmer Biomet Holdings Inc. Analysis – September 2015 Update \$ZBH

Waters Corporation Analysis – September 2015 Update \$WAT

Patterson Companies Inc. Analysis – September 2015 Update \$PDCO

Edwards Lifesciences Corporation Analysis – September 2015 Update \$EW

Baxter International Inc. Analysis – September 2015 Update \$BAX

Cerner Corporation Analysis – September 2015 Update \$CERN