

ModernGraham Valuation

Company Name:

AMETEK, Inc.

Company Ticker AME

Date of Analysis

11/3/2015



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.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$13,427,992,155	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.72	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	132.38%	Pass
6. Moderate PEmg Ratio	PEmg < 20	27.34	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.05	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	1.72	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.44	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.03
MG Growth Estimate	10.14%
MG Value	\$58.38
MG Value based on 3% Growth	\$29.41
MG Value based on 0% Growth	\$17.24
Market Implied Growth Rate	9.42%

MG Opinion

Current Price	\$55.45
% of Intrinsic Value	94.97%
Opinion	Fairly Valued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$7.18
Graham Number	\$23.94
PEmg	27.34
Current Ratio	1.72
PB Ratio	4.05
Dividend Yield	0.65%
Number of Consecutive Years of Dividend Growth	6

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	\$1.86	Next Fiscal Year Estimate	\$2.03
Dec14	\$2.37	Dec14	\$2.02
Dec13	\$2.10	Dec13	\$1.73
Dec12	\$1.88	Dec12	\$1.47
Dec11	\$1.58	Dec11	\$1.21
Dec10	\$1.18	Dec10	\$1.00
Dec09	\$0.85	Dec09	\$0.88
Dec08	\$1.02	Dec08	\$0.85
Dec07	\$0.94	Dec07	\$0.72
Dec06	\$0.76	Dec06	\$0.57
Dec05	\$0.57	Dec05	\$0.46
Dec04	\$0.47	Dec04	\$0.39
Dec03	\$0.37	Dec03	\$0.34
Dec02	\$0.37	Dec02	\$0.31
Dec01	\$0.29	Dec01	\$0.28
Dec00	\$0.31	Dec00	\$0.26
Dec99	\$0.27	Dec99	\$0.23
Dec98	\$0.18	Balance Sheet Information Sep15	
Dec97	\$0.22	Total Current Assets	\$1,590,740,000
Dec96	\$0.23	Total Current Liabilities	\$925,477,000
Dec95	\$0.23	Long-Term Debt	\$1,621,812,000
		Total Assets	\$6,644,024,000
		Intangible Assets	\$4,570,255,000
		Total Liabilities	\$3,328,755,000
		Shares Outstanding (Diluted Average)	242,160,000





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:

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[Ametek Inc. Annual Valuation – 2014 \\$AME](#)

Other ModernGraham posts about related companies [Skyworks Solutions Inc. Valuation – October 2015 Update \\$SWKS](#)
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[MTS Systems Corporation Valuation – October 2015 Update \\$MTSC](#)
[Linear Technology Corp Valuation – October 2015 Update \\$LLTC](#)
[Altera Corporation Analysis – October 2015 Update \\$ALTR](#)
[Lam Research Corporation Analysis – October 2015 Update \\$LRCX](#)
[Amphenol Corporation Analysis – October 2015 Update \\$APH](#)
[NetApp Inc. Analysis – September 2015 Update \\$NTAP](#)
[EMC Corporation Analysis – September 2015 Update \\$EMC](#)