

# ModernGraham Valuation

## Company Name:

Company Ticker MSI  
Date of Analysis 11/3/2015

Motorola Solutions  
Inc



## 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	\$14,780,422,799	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.86	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-512.96%	Fail
6. Moderate PEmg Ratio	PEmg < 20	18.46	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	8.25	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	2.86	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.93	Pass
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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.87
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$149.05</b>
MG Value based on 3% Growth	\$56.13
MG Value based on 0% Growth	\$32.91
Market Implied Growth Rate	4.98%

### MG Opinion

Current Price	\$71.48
% of Intrinsic Value	47.96%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

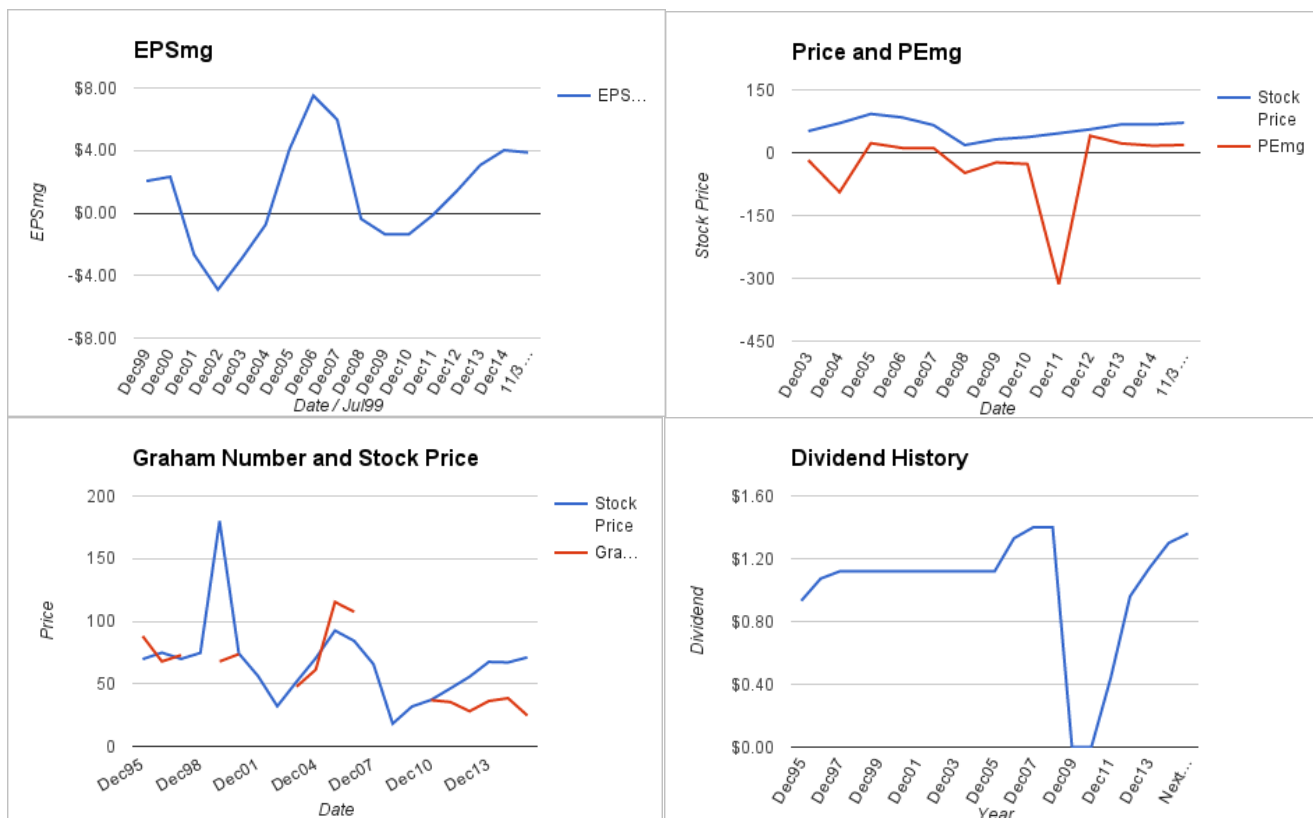
Net Current Asset Value (NCAV)	-\$8.18
Graham Number	\$24.67
PEmg	18.46
Current Ratio	2.86
PB Ratio	8.25
Dividend Yield	1.90%
Number of Consecutive Years of Dividend Growth	5

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.08	Next Fiscal Year Estimate	\$3.87
Dec14	\$5.29	Dec14	\$4.02
Dec13	\$4.06	Dec13	\$3.06
Dec12	\$2.96	Dec12	\$1.38
Dec11	\$3.41	Dec11	-\$0.15
Dec10	\$1.87	Dec10	-\$1.37
Dec09	-\$0.14	Dec09	-\$1.36
Dec08	-\$13.09	Dec08	-\$0.38
Dec07	-\$0.14	Dec07	\$5.97
Dec06	\$10.22	Dec06	\$7.51
Dec05	\$12.67	Dec05	\$4.08
Dec04	\$4.38	Dec04	-\$0.75
Dec03	\$2.66	Dec03	-\$2.91
Dec02	-\$7.63	Dec02	-\$4.91
Dec01	-\$12.46	Dec01	-\$2.66
Dec00	\$4.06	Dec00	\$2.32
Dec99	\$2.87	Dec99	\$2.04
Dec98	-\$3.52	<b>Balance Sheet Information Jun15</b>	
Dec97	\$4.55	Total Current Assets	\$5,632,000,000
Dec96	\$4.41	Total Current Liabilities	\$1,971,000,000
Dec95	\$7.91	Long-Term Debt	\$3,393,000,000
		Total Assets	\$9,160,000,000
		Intangible Assets	\$475,000,000
		Total Liabilities	\$7,345,000,000
		Shares Outstanding (Diluted Average)	209,500,000





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

[5 Undervalued Companies with a Low Beta – October 2015](#)

[The 16 Best Stocks For Value Investors This Week – 8/1/15](#)

[Motorola Solutions Inc. Analysis – July 2015 Update \\$MSI](#)

[5 Undervalued Companies for Enterprising Investors Near 52 Week Lows – June 2015](#)

[5 Undervalued Companies for the Enterprising Investor Near 52 Week Lows – May 2015](#)

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ModernGraham  
posts about related  
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[Cognizant Technology Solutions Corp Analysis – October 2015 Update \\$CTSH](#)

[Infosys Limited Analysis – October 2015 Update \\$INFY](#)

[Teradata Corporation Analysis – September 2015 Update \\$TDC](#)

[Akamai Technologies Inc. Analysis – August 2015 Update \\$AKAM](#)

[Total System Services Inc. Analysis – August 2015 Update \\$TSS](#)

[Acxiom Corporation Analysis – Initial Coverage \\$ACXM](#)

[ACI Worldwide Inc. Analysis – Initial Coverage \\$ACIW](#)

[Motorola Solutions Inc. Analysis – July 2015 Update \\$MSI](#)

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