

# ModernGraham Valuation



## Company Name:

Tyco International  
PLC

Company Ticker TYC

Date of Analysis

11/24/2015

## 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	\$14,927,510,800	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.21	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-277.00%	Fail
6. Moderate PEmg Ratio	PEmg < 20	17.17	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.70	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	1.21	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.67	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.04
MG Growth Estimate	5.90%
<b>MG Value</b>	<b>\$41.42</b>
MG Value based on 3% Growth	\$29.60
MG Value based on 0% Growth	\$17.35
Market Implied Growth Rate	4.33%

### MG Opinion

Current Price	\$35.04
% of Intrinsic Value	84.59%
<b>Opinion</b>	<b>Fairly Valued</b>

## Stage 3: Information for Further Research

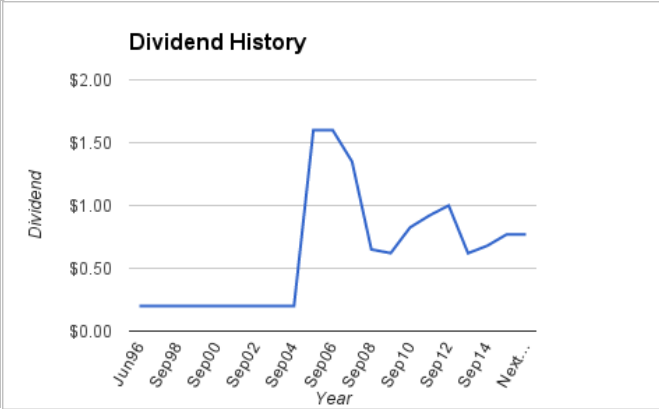
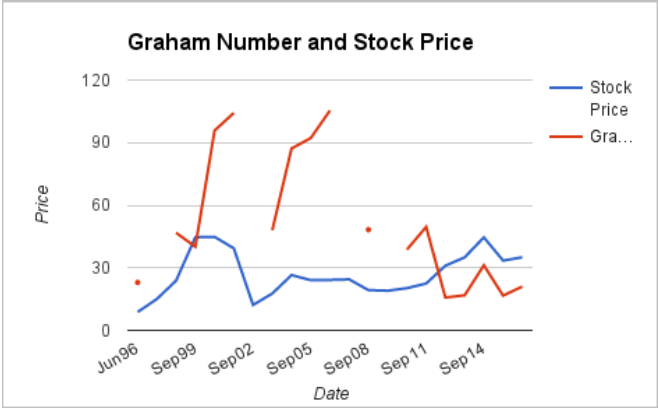
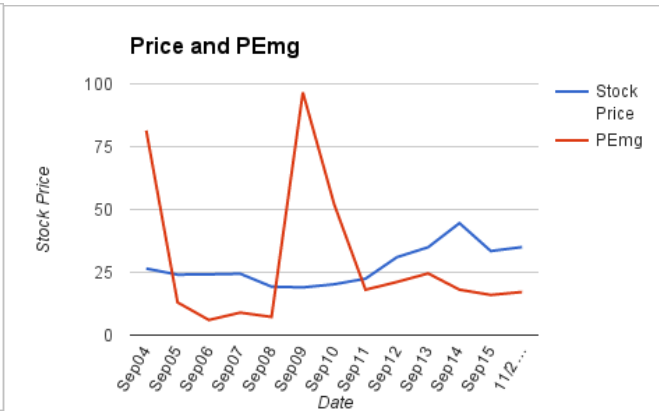
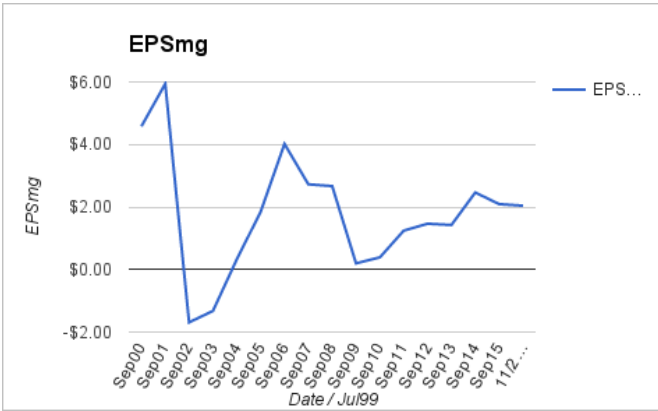
Net Current Asset Value (NCAV)	-\$8.49
Graham Number	\$21.01
PEmg	17.17
Current Ratio	1.21
PB Ratio	3.70
Dividend Yield	2.20%
Number of Consecutive Years of Dividend Growth	3

### 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	\$2.05	Next Fiscal Year Estimate	\$2.04
Sep15	\$1.29	Sep15	\$2.09
Sep14	\$3.97	Sep14	\$2.46
Sep13	\$1.14	Sep13	\$1.42
Sep12	\$1.02	Sep12	\$1.47
Sep11	\$3.59	Sep11	\$1.24
Sep10	\$2.31	Sep10	\$0.39
Sep09	-\$3.80	Sep09	\$0.20
Sep08	\$3.19	Sep08	\$2.67
Sep07	-\$3.52	Sep07	\$2.73
Sep06	\$6.95	Sep06	\$4.02
Sep05	\$5.85	Sep05	\$1.85
Sep04	\$5.60	Sep04	\$0.33
Sep03	\$1.94	Sep03	-\$1.32
Sep02	-\$18.56	Sep02	-\$1.69
Sep01	\$7.36	Sep01	\$5.94
Sep00	\$10.08	Sep00	\$4.58
Sep99	\$2.44	<b>Balance Sheet Information Sep15</b>	
Sep98	\$2.88	Total Current Assets	\$4,653,000,000
Jun97	-\$1.08	Total Current Liabilities	\$3,845,000,000
Jun96	\$2.04	Long-Term Debt	\$2,159,000,000
		Total Assets	\$12,321,000,000
		Intangible Assets	\$5,107,000,000
		Total Liabilities	\$8,280,000,000
		Shares Outstanding (Diluted Average)	427,000,000





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

[26 Companies in the Spotlight This Week – 11/22/14](#)

[Tyco International Limited Annual Valuation – 2014 \\$TYC](#)

Other ModernGraham posts about related companies

[ADT Stock Analysis – 2015 Annual Update \\$ADT](#)

[Tyco International Limited Annual Valuation – 2014 \\$TYC](#)

[ADT Corporation 2014 Annual Valuation \\$ADT](#)