# ModernGraham Valuation

## Company Name: Medtronic PLC

Company Ticker MDT

Date of Analysis 1/30/2016

### 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 | $103,928,999,974 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 3.53 | Pass |
| 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 | 39.52% | Pass |
| 6. Moderate PEmg Ratio | PEmg < 20 | 25.33 | Fail |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 2.08 | 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 | 3.53 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 1.64 | 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 | $3.00 |
| MG Growth Estimate | 0.87% |
| **MG Value** | **$30.68** |
| MG Value based on 3% Growth | $43.45 |
| MG Value based on 0% Growth | $25.47 |
| Market Implied Growth Rate | 8.42% |

*MG Opinion*

| | |
|---|---|
| Current Price | $75.91 |
| % of Intrinsic Value | 247.45% |
| **Opinion** | **Overvalued** |

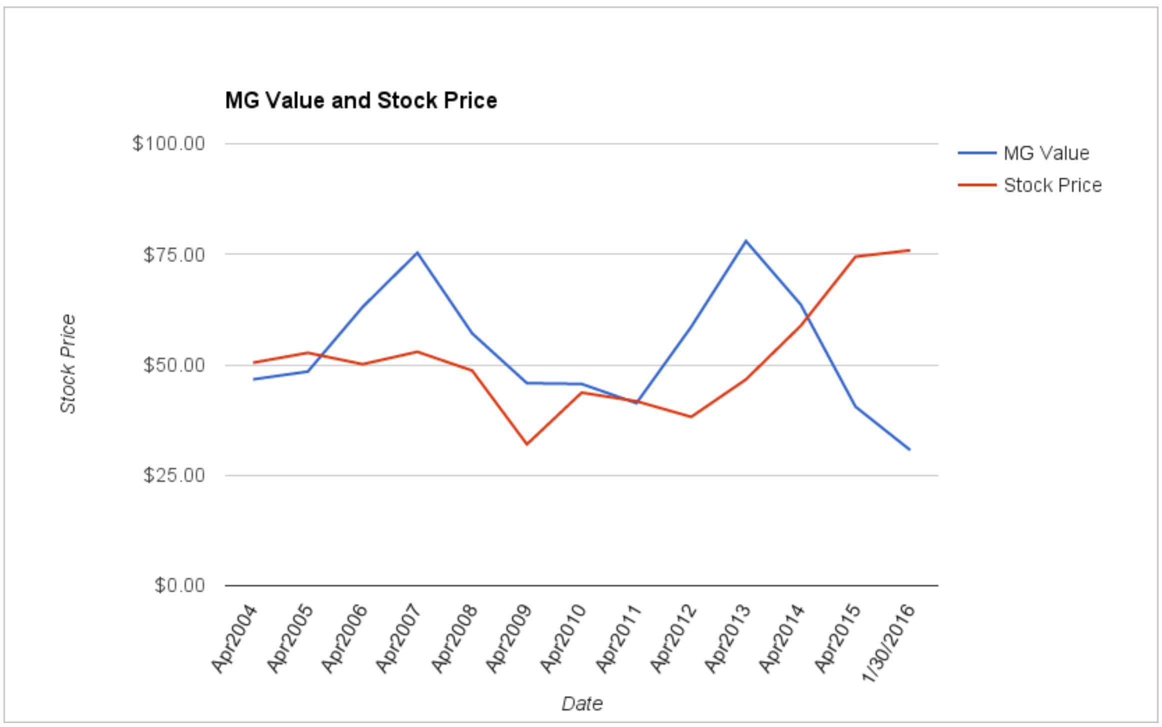
### Stage 3: Information for Further Research

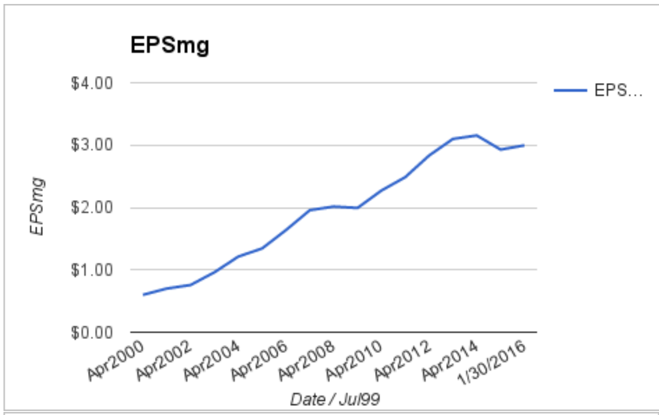
| | |
|---|---|
| Net Current Asset Value (NCAV) | -$16.76 |
| Graham Number | $51.76 |
| PEmg | 25.33 |
| Current Ratio | 3.53 |
| PB Ratio | 2.08 |
| Dividend Yield | 1.80% |
| Number of Consecutive Years of Dividend Growth | 20 |

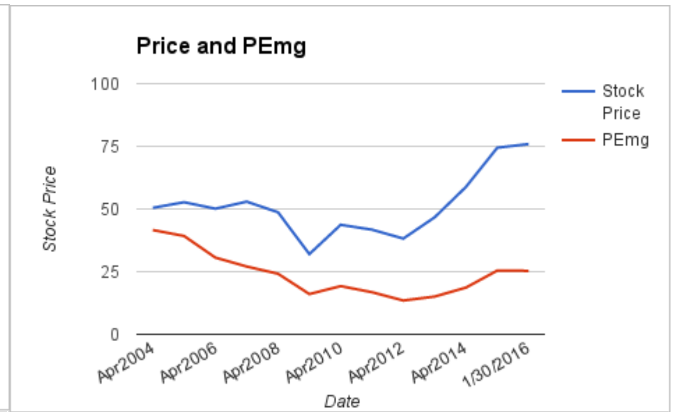
**Useful Links:**

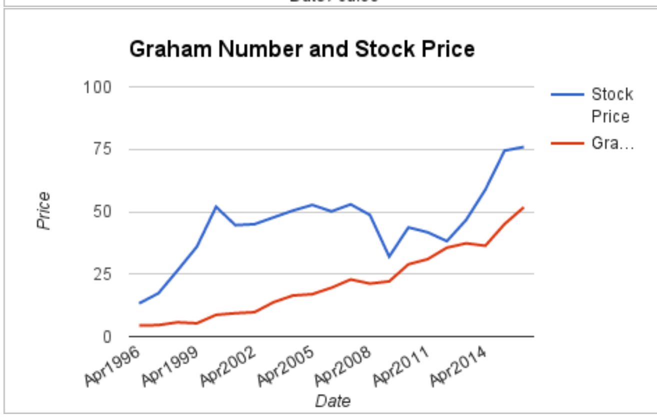
| | |
|---|---|
| ModernGraham tagged articles | Morningstar |
| Google Finance | MSN Money |
| Yahoo Finance | Seeking Alpha |
| GuruFocus | SEC Filings |

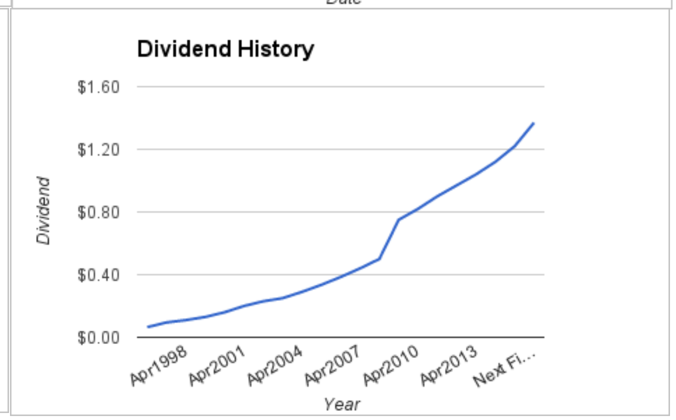
| **EPS History** | | **EPSmg History** | |
|---|---|---|---|
| Next Fiscal Year Estimate | $3.22 | Next Fiscal Year Estimate | $3.00 |
| Apr2015 | $2.41 | Apr2015 | $2.93 |
| Apr2014 | $3.02 | Apr2014 | $3.15 |
| Apr2013 | $3.37 | Apr2013 | $3.10 |
| Apr2012 | $3.41 | Apr2012 | $2.83 |
| Apr2011 | $2.86 | Apr2011 | $2.49 |
| Apr2010 | $2.79 | Apr2010 | $2.27 |
| Apr2009 | $1.84 | Apr2009 | $1.99 |
| Apr2008 | $1.95 | Apr2008 | $2.01 |
| Apr2007 | $2.41 | Apr2007 | $1.96 |
| Apr2006 | $2.09 | Apr2006 | $1.64 |
| Apr2005 | $1.48 | Apr2005 | $1.34 |
| Apr2004 | $1.60 | Apr2004 | $1.21 |
| Apr2003 | $1.30 | Apr2003 | $0.96 |
| Apr2002 | $0.80 | Apr2002 | $0.76 |
| Apr2001 | $0.85 | Apr2001 | $0.70 |
| Apr2000 | $0.89 | Apr2000 | $0.60 |
| Apr1999 | $0.39 | **Balance Sheet Information** | **Oct2015** |
| Apr1998 | $0.51 | Total Current Assets | $28,723,000,000 |
| Apr1997 | $0.50 | Total Current Liabilities | $8,126,000,000 |
| Apr1996 | $0.45 | Long-Term Debt | $33,690,000,000 |
| | | Total Assets | $104,945,000,000 |
| | | Intangible Assets | $69,005,000,000 |
| | | Total Liabilities | $52,676,000,000 |
| | | Shares Outstanding (Diluted Average) | 1,428,800,000 |






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 PLC Valuation – October 2015 Update $MDT
- 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

**Other ModernGraham posts about related companies**

- PerkinElmer Inc Valuation – January 2016 Update $PKI
- Quest Diagnostics Inc Valuation – January 2016 Update $DGX
- Dentsply International Inc Valuation – November 2015 Update $XRAY
- UnitedHealth Group Inc. Valuation – November 2015 Update $UNH
- DaVita HealthCare Partners Inc Valuation – November 2015 Update $DVA
- Align Technology Inc. Valuation – November 2015 Update $ALGN
- Varian Medical Systems Inc. Valuation – November 2015 Update $VAR
- Psychemedics Corporation Valuation – November 2015 Update $PMD
- C.R. Bard Inc. Valuation – November 2015 Update $BCR
- Henry Schein Inc. Valuation – October 2015 Update $HSIC