

ModernGraham Valuation



Company Name:

Seagate Technology
PLC

Company Ticker STX
Date of Analysis

1/26/2016

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	\$7,911,553,069	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.80	Fail
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	-586.29%	Fail
6. Moderate PEmg Ratio	PEmg < 20	6.70	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.45	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	1.80	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.91	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	\$4.14
MG Growth Estimate	11.03%
MG Value	\$126.55
MG Value based on 3% Growth	\$60.04
MG Value based on 0% Growth	\$35.20
Market Implied Growth Rate	-0.90%

MG Opinion

Current Price	\$27.74
% of Intrinsic Value	21.92%
Opinion	Undervalued

Stage 3: Information for Further Research

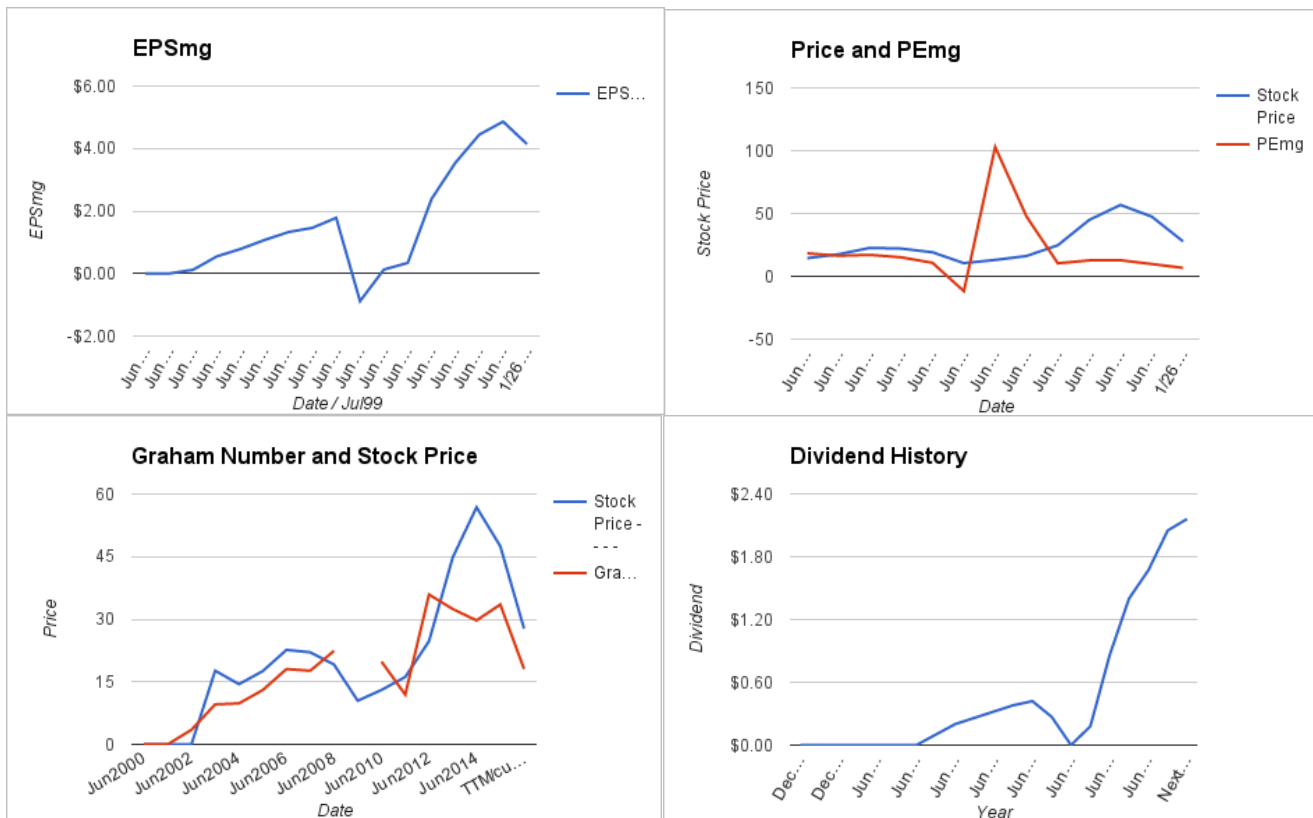
Net Current Asset Value (NCAV)	-\$7.39
Graham Number	\$18.06
PEmg	6.70
Current Ratio	1.80
PB Ratio	4.45
Dividend Yield	7.79%
Number of Consecutive Years of Dividend Growth	6

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	\$2.28	Next Fiscal Year Estimate	\$4.14
Jun2015	\$5.26	Jun2015	\$4.86
Jun2014	\$4.52	Jun2014	\$4.44
Jun2013	\$4.81	Jun2013	\$3.54
Jun2012	\$6.49	Jun2012	\$2.39
Jun2011	\$1.09	Jun2011	\$0.34
Jun2010	\$3.14	Jun2010	\$0.13
Jun2009	-\$6.40	Jun2009	-\$0.88
Jun2008	\$2.36	Jun2008	\$1.78
Jun2007	\$1.56	Jun2007	\$1.46
Jun2006	\$1.60	Jun2006	\$1.33
Jun2005	\$1.41	Jun2005	\$1.07
Jun2004	\$1.06	Jun2004	\$0.79
Jun2003	\$1.36	Jun2003	\$0.55
Jun2002	\$0.36	Jun2002	\$0.12
Jun2001	\$0.00	Jun2001	\$0.00
Jun2000	\$0.00	Jun2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information Sep2015	
Dec1998	\$0.00	Total Current Assets	\$4,882,000,000
Dec1997	\$0.00	Total Current Liabilities	\$2,718,000,000
Dec1996	\$0.00	Long-Term Debt	\$4,140,000,000
		Total Assets	\$9,079,000,000
		Intangible Assets	\$1,203,000,000
		Total Liabilities	\$7,157,000,000
		Shares Outstanding (Diluted Average)	308,000,000





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

- [10 Low PE Stocks for the Enterprising Investor – January 2016](#)
- [10 Undervalued Companies for Enterprising Dividend Investors – November 2015](#)
- [10 Low PE Stocks for the Enterprising Investor – November 2015](#)
- [5 Undervalued Companies for Value Investors with a High Beta – November 2015](#)
- [10 Most Undervalued Companies for the Enterprising Investor – November 2015](#)

Other ModernGraham posts about related companies

- [Microchip Technology Inc Valuation – January 2016 Update \\$MCHP](#)
- [Avago Technologies Ltd Valuation – January 2016 Update \\$AVGO](#)
- [KLA-Tencor Corp Valuation – January 2016 Update \\$KLAC](#)
- [Lam Research Corp Valuation – January 2016 Update \\$LRCX](#)
- [Amphenol Corporation Valuation – January 2016 Update \\$APH](#)
- [Arrow Electronics Inc Valuation – December 2015 Update \\$ARW](#)
- [TE Connectivity Ltd Valuation – December 2015 Update \\$TEL](#)
- [Broadcom Corp Valuation – November 2015 Update \\$BRCM](#)
- [SanDisk Corp Valuation – November 2015 Update \\$SNDK](#)
- [Coming Inc Valuation – November 2015 Update \\$GLW](#)