

ModernGraham Valuation

Company Name:

Company Ticker EW
Date of Analysis

Edwards Lifesciences Corp

2/8/2016



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	\$16,291,500,968 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.03 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	392.86% Pass
5. Earnings Growth	PEmg < 20	33.70 Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	6.99 Fail
7. Moderate Price to Assets		

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	4.03 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.38 Pass
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Fail
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.28
MG Growth Estimate	15.00%
MG Value	\$87.95
MG Value based on 3% Growth	\$33.12
MG Value based on 0% Growth	\$19.42
Market Implied Growth Rate	12.60%

MG Opinion

Current Price	\$76.98
% of Intrinsic Value	87.53%
Opinion	Fairly Valued

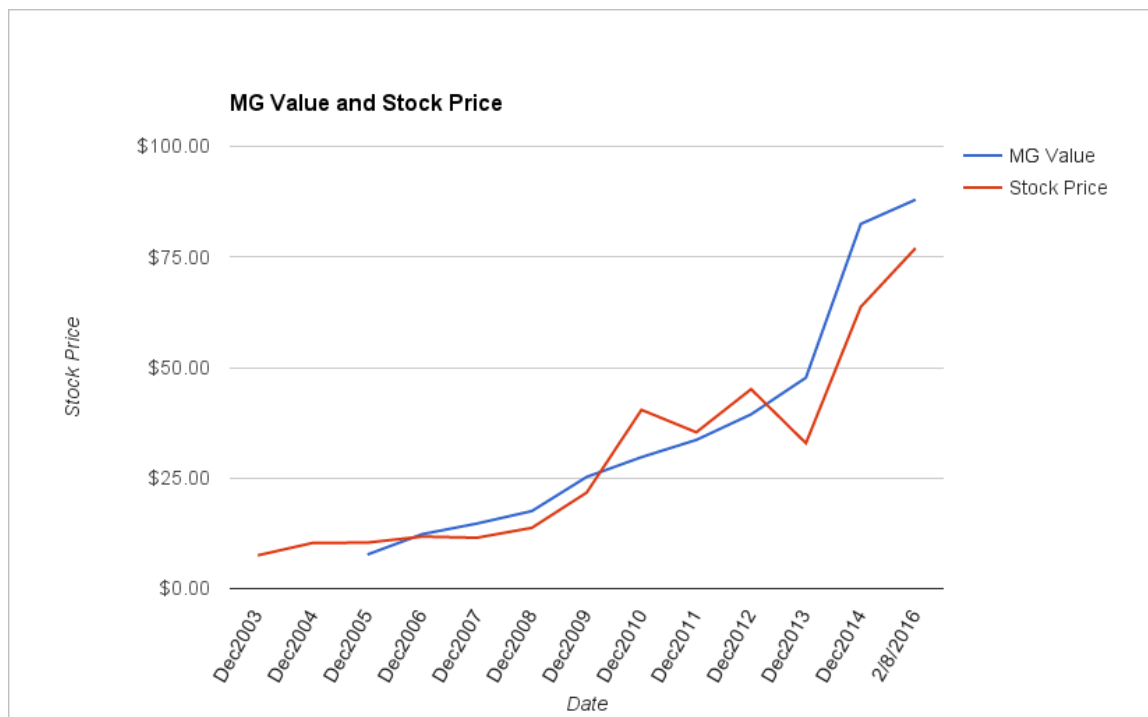
Stage 3: Information for Further Research

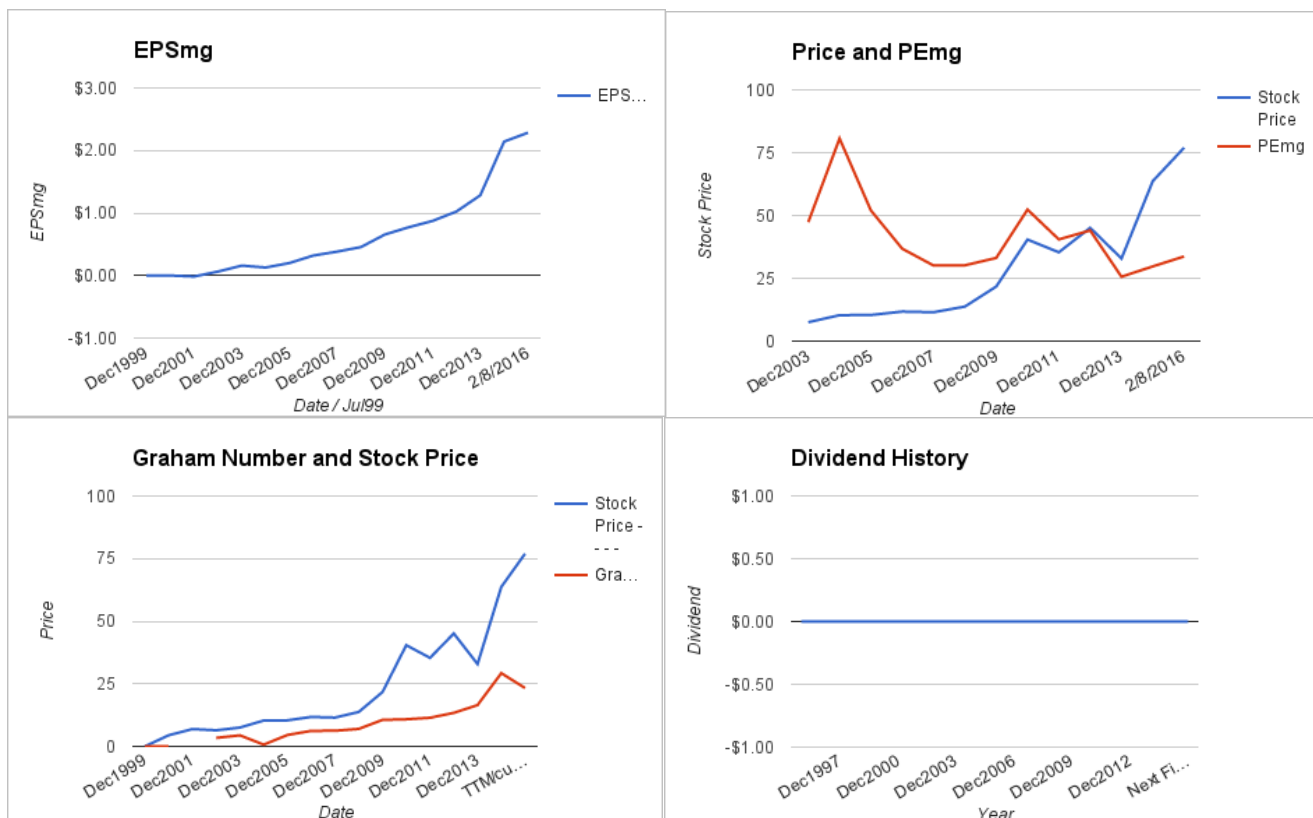
Net Current Asset Value (NCAV)	\$3.14
Graham Number	\$23.29
PEmg	33.70
Current Ratio	4.03
PB Ratio	6.99
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$2.15	Next Fiscal Year Estimate	\$2.28
Dec2014	\$3.74	Dec2014	\$2.14
Dec2013	\$1.71	Dec2013	\$1.28
Dec2012	\$1.23	Dec2012	\$1.02
Dec2011	\$0.99	Dec2011	\$0.87
Dec2010	\$0.92	Dec2010	\$0.77
Dec2009	\$0.98	Dec2009	\$0.66
Dec2008	\$0.55	Dec2008	\$0.46
Dec2007	\$0.47	Dec2007	\$0.38
Dec2006	\$0.53	Dec2006	\$0.32
Dec2005	\$0.32	Dec2005	\$0.20
Dec2004	\$0.01	Dec2004	\$0.13
Dec2003	\$0.32	Dec2003	\$0.16
Dec2002	\$0.23	Dec2002	\$0.06
Dec2001	-\$0.05	Dec2001	-\$0.02
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Dec1999	\$0.00
Dec1998	\$0.00	Balance Sheet Information Sep2015	
Dec1997	\$0.00	Total Current Assets	\$2,145,500,000
Dec1996	\$0.00	Total Current Liabilities	\$532,500,000
Dec1995	\$0.00	Long-Term Debt	\$604,900,000
		Total Assets	\$3,876,600,000
		Intangible Assets	\$828,500,000
		Total Liabilities	\$1,455,200,000
		Shares Outstanding (Diluted Average)	220,000,000





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:

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ModernGraham
posts about the
company

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[The Best Companies of the Medical Industry – June 2015](#)
[The 6 Best Stocks For Value Investors This Week – 6/13/15](#)
[Edwards Lifesciences Corporation Analysis – June 2015 Update \\$EW](#)
[18 Companies in the Spotlight This Week – 3/15/15](#)

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[Henry Schein Inc Valuation – February 2016 Update \\$HSIC](#)
[Medtronic PLC Valuation – January 2016 Update \\$MDT](#)
[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](#)