

ModernGraham Valuation



Company Name:

Motorola Solutions
Inc

Company Ticker MSI
Date of Analysis

2/4/2016

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	\$11,386,386,708	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.36	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	-496.01%	Fail
6. Moderate PEmg Ratio	PEmg < 20	17.40	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-42.24	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	2.36	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.59	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	\$3.70
MG Growth Estimate	15.00%
MG Value	\$142.50
MG Value based on 3% Growth	\$53.67
MG Value based on 0% Growth	\$31.46
Market Implied Growth Rate	4.45%

MG Opinion

Current Price	\$64.42
% of Intrinsic Value	45.21%
Opinion	Undervalued

Stage 3: Information for Further Research

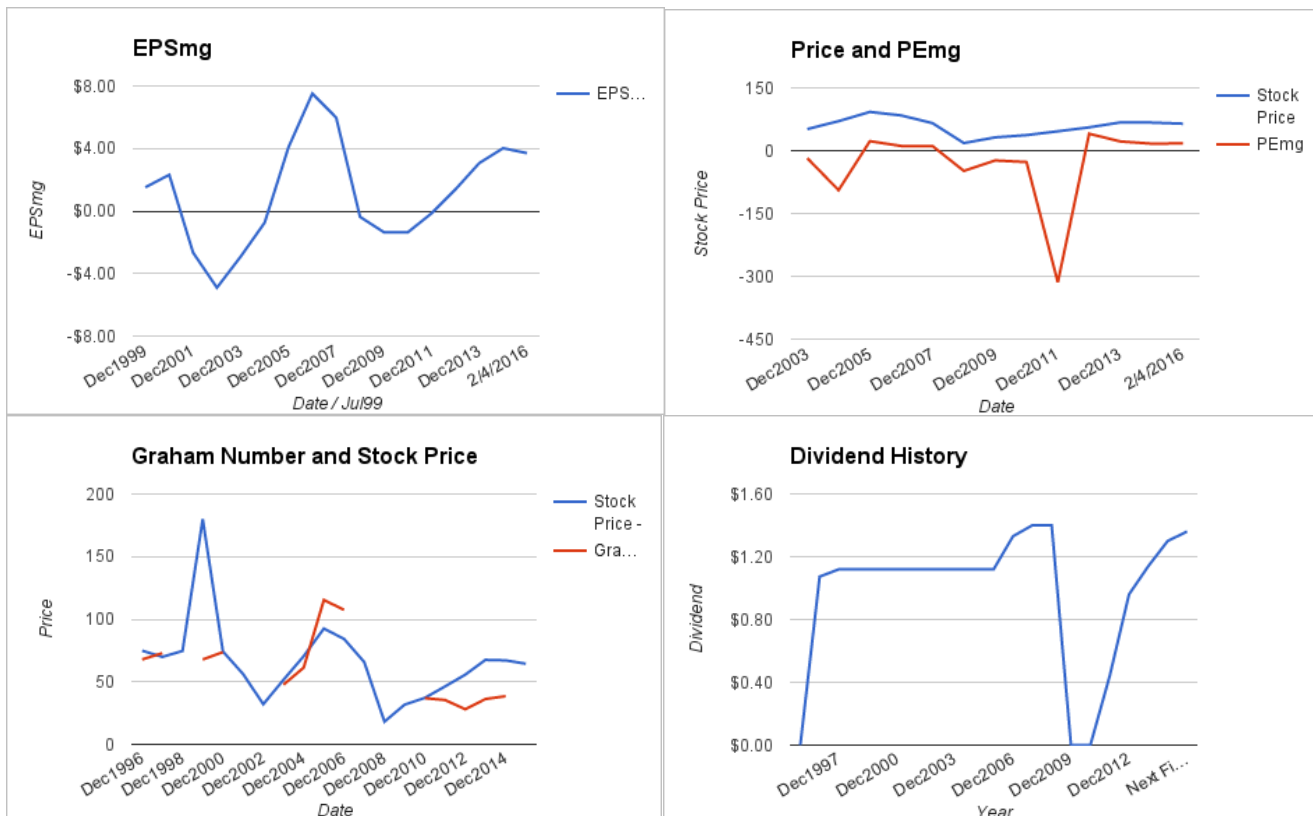
Net Current Asset Value (NCAV)		-\$17.91
Graham Number	#NUM!	
PEmg		17.40
Current Ratio		2.36
PB Ratio		-42.24
Dividend Yield		2.11%
Number of Consecutive Years of Dividend Growth		5

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	\$2.57	Next Fiscal Year Estimate	\$3.70
Dec2014	\$5.29	Dec2014	\$4.02
Dec2013	\$4.06	Dec2013	\$3.06
Dec2012	\$2.96	Dec2012	\$1.38
Dec2011	\$3.41	Dec2011	-\$0.15
Dec2010	\$1.87	Dec2010	-\$1.37
Dec2009	-\$0.14	Dec2009	-\$1.36
Dec2008	-\$13.09	Dec2008	-\$0.38
Dec2007	-\$0.14	Dec2007	\$5.97
Dec2006	\$10.22	Dec2006	\$7.51
Dec2005	\$12.67	Dec2005	\$4.08
Dec2004	\$4.38	Dec2004	-\$0.75
Dec2003	\$2.66	Dec2003	-\$2.91
Dec2002	-\$7.63	Dec2002	-\$4.91
Dec2001	-\$12.46	Dec2001	-\$2.66
Dec2000	\$4.06	Dec2000	\$2.32
Dec1999	\$2.87	Dec1999	\$1.52
Dec1998	-\$3.52	Balance Sheet Information	Sep2015
Dec1997	\$4.55	Total Current Assets	\$4,787,000,000
Dec1996	\$4.41	Total Current Liabilities	\$2,029,000,000
Dec1995	\$0.00	Long-Term Debt	\$4,386,000,000
		Total Assets	\$8,086,000,000
		Intangible Assets	\$473,000,000
		Total Liabilities	\$8,393,000,000
		Shares Outstanding (Diluted Average)	201,300,000





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 – January 2016](#)
- [Motorola Solutions Inc. Valuation – November 2015 Update \\$MSI](#)
- [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](#)

Other ModernGraham posts about related companies

- [Cognizant Technology Solutions Corp Valuation – January 2016 Update \\$CTSH](#)
- [Akamai Technologies Inc Valuation – January 2016 \\$AKAM](#)
- [Infosys Ltd Valuation – January 2016 Update \\$INFY](#)
- [Total System Services Inc. Valuation – November 2015 Update \\$TSS](#)
- [International Business Machines Corp Valuation – November 2015 Update \\$IBM](#)
- [Motorola Solutions Inc. Valuation – November 2015 Update \\$MSI](#)
- [Qualcomm Inc. Valuation – October 2015 Update \\$QCOM](#)
- [Cognizant Technology Solutions Corp Analysis – October 2015 Update \\$CTSH](#)
- [Infosys Limited Analysis – October 2015 Update \\$INFY](#)
- [Infosys Limited Analysis – October 2015 Update \\$INFY](#)