

# ModernGraham Valuation

Company Name:

Ingersoll-Rand PLC

Company Ticker IR

Date of Analysis

5/19/2016



## 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	\$16,609,485,432	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.22	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	61.14%	Pass
5. Earnings Growth	PEmg < 20	20.79	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.94	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	1.22	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.21	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	\$3.14
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$120.75</b>
MG Value based on 3% Growth	\$45.48
MG Value based on 0% Growth	\$26.66
Market Implied Growth Rate	6.14%

### MG Opinion

Current Price	\$65.20
% of Intrinsic Value	54.00%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information for Further Research

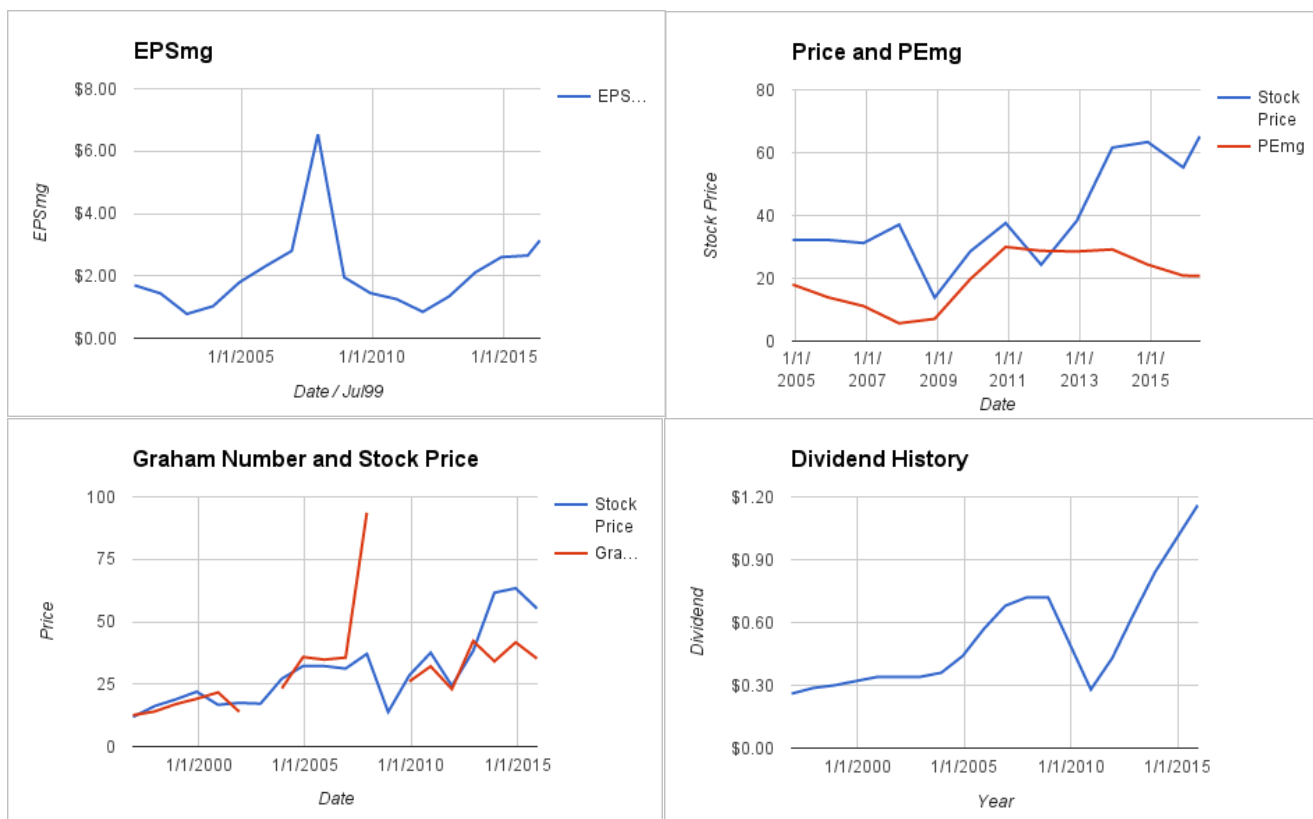
Net Current Asset Value (NCAV)	-\$24.29
Graham Number	\$44.45
PEmg	20.79
Current Ratio	1.22
PB Ratio	2.94
Current Dividend	\$1.19
Dividend Yield	1.83%
Number of Consecutive Years of Dividend Growth	6

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<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>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.90	Next Fiscal Year Estimate	\$3.14
12/1/2015	\$2.48	12/1/2015	\$2.65
12/1/2014	\$3.40	12/1/2014	\$2.60
12/1/2013	\$2.07	12/1/2013	\$2.11
12/1/2012	\$3.28	12/1/2012	\$1.34
12/1/2011	\$1.01	12/1/2011	\$0.85
12/1/2010	\$1.89	12/1/2010	\$1.25
12/1/2009	\$1.37	12/1/2009	\$1.45
12/1/2008	-\$8.73	12/1/2008	\$1.96
12/1/2007	\$13.43	12/1/2007	\$6.54
12/1/2006	\$3.20	12/1/2006	\$2.80
12/1/2005	\$3.09	12/1/2005	\$2.31
12/1/2004	\$3.48	12/1/2004	\$1.79
12/1/2003	\$1.87	12/1/2003	\$1.03
12/1/2002	-\$0.52	12/1/2002	\$0.78
12/1/2001	\$0.74	12/1/2001	\$1.44
12/1/2000	\$2.06	12/1/2000	\$1.70
12/1/1999	\$1.79	<b>Balance Sheet Information 3/1/2016</b>	
12/1/1998	\$1.54	Total Current Assets	\$4,812,900,000
12/1/1997	\$1.16	Total Current Liabilities	\$3,930,100,000
12/1/1996	\$1.11	Long-term Debt	\$3,714,600,000
		Total Assets	\$16,952,500,000
		Intangible Assets	\$9,687,500,000
		Total Liabilities	\$11,159,700,000
		Shares Outstanding (Diluted Average)	261,300,000





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:

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ModernGraham  
posts about the  
company

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[Ingersoll-Rand Inc. Annual Valuation – 2015 \\$IR](#)  
[14 Companies in the Spotlight This Week – 1/18/14](#)  
[Ingersoll-Rand PLC \(IR\) Annual Valuation](#)

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[Joy Global Inc Valuation – February 2016 \\$JOY](#)  
[Allegion PLC Valuation – February 2016 Update \\$ALLE](#)  
[Rockwell Automation Inc Valuation – February 2016 Update \\$ROK](#)  
[Parker Hannifin Corp Valuation – January 2016 Update \\$PH](#)  
[Stanley Black & Decker Inc Valuation – January 2016 Update \\$SWK](#)  
[Paccar Inc Valuation – January 2016 Update \\$PCAR](#)  
[AGCO Corporation Valuation – February 2016 \\$AGCO](#)  
[Joy Global Inc Valuation – February 2016 \\$JOY](#)