

ModernGraham Valuation

Company Name:

St. Jude Medical, Inc.

Company Ticker STJ

Date of Analysis

6/28/2016



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	\$21,546,316,703	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.72	Fail
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	112.73%	Pass
5. Earnings Growth	PEmg < 20	22.95	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.35	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	1.72	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.77	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	\$3.34
MG Growth Estimate	5.90%
MG Value	\$67.73
MG Value based on 3% Growth	\$48.36
MG Value based on 0% Growth	\$28.35
Market Implied Growth Rate	7.23%

MG Opinion

Current Price	\$76.55
% of Intrinsic Value	113.02%
Opinion	Overvalued
MG Grade	C

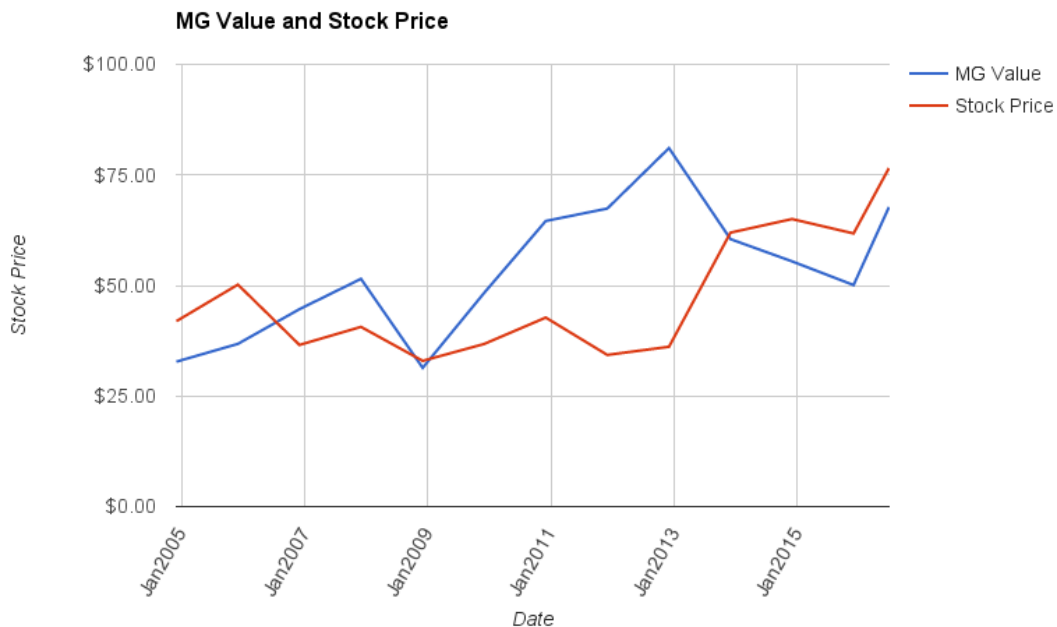
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$19.73
Graham Number	\$36.06
PEmg	22.95
Current Ratio	1.72
PB Ratio	5.35
Current Dividend	\$1.18
Dividend Yield	1.54%
Number of Consecutive Years of Dividend Growth	6

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.00	Next Fiscal Year Estimate	\$3.34
Dec2015	\$3.07	Dec2015	\$2.93
Dec2014	\$3.46	Dec2014	\$2.81
Dec2013	\$2.49	Dec2013	\$2.49
Dec2012	\$2.39	Dec2012	\$2.39
Dec2011	\$2.52	Dec2011	\$2.28
Dec2010	\$2.75	Dec2010	\$2.05
Dec2009	\$2.26	Dec2009	\$1.63
Dec2008	\$1.10	Dec2008	\$1.30
Dec2007	\$1.59	Dec2007	\$1.34
Dec2006	\$1.47	Dec2006	\$1.16
Dec2005	\$1.04	Dec2005	\$0.96
Dec2004	\$1.10	Dec2004	\$0.85
Dec2003	\$0.92	Dec2003	\$0.66
Dec2002	\$0.76	Dec2002	\$0.49
Dec2001	\$0.48	Dec2001	\$0.34
Dec2000	\$0.38	Dec2000	\$0.26
Dec1999	\$0.07	Balance Sheet Information 3/1/2016	
Dec1998	\$0.38	Total Current Assets	\$2,803,000,000
Dec1997	\$0.15	Total Current Liabilities	\$1,630,000,000
Dec1996	\$0.28	Long-Term Debt	\$5,591,000,000
		Total Assets	\$12,552,000,000
		Intangible Assets	\$7,864,000,000
		Total Liabilities	\$8,453,000,000
		Shares Outstanding (Diluted Average)	286,400,000





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.

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[St. Jude Medical Inc. Annual Valuation – 2015 \\$STJ](#)
[30 Companies in the Spotlight This Week – 11/15/14](#)
[St. Jude Medical Inc. Quarterly Valuation – November 2014 \\$STJ](#)

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[Psychemedics Corp Stock Valuation – February 2016 \\$PMD](#)
[Patterson Companies Inc Stock Valuation – February 2016 \\$PDCO](#)
[Edwards Lifesciences Corp Valuation – February 2016 \\$EW](#)
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