ModernGraham Valuation

Company Name: Medtronic PLC

Company Ticker MDT

Date of Analysis 7/12/2016

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	$124,298,499,084	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.29	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	42.28%	Pass
6. Moderate PEmg Ratio	PEmg < 20	26.97	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.44	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	3.29	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.84	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	**Yes**
Enterprising	**Yes**

Stage 2: Determination of Intrinsic Value

EPSmg	$3.30
MG Growth Estimate	0.96%
MG Value	**$34.43**
MG Value based on 3% Growth	$47.91
MG Value based on 0% Growth	$28.08
Market Implied Growth Rate	9.24%

MG Opinion

Current Price		$89.12
% of Intrinsic Value		258.88%
Opinion	**Overvalued**	
MG Grade	**B-**	

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$16.91
Graham Number	$62.06
PEmg	26.97
Current Ratio	3.29
PB Ratio	2.44
Current Dividend	$1.52
Dividend Yield	1.71%
Number of Consecutive Years of Dividend Growth	20

Useful Links:

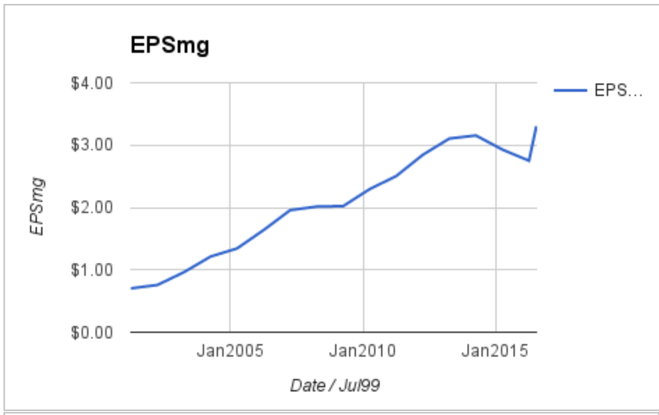
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

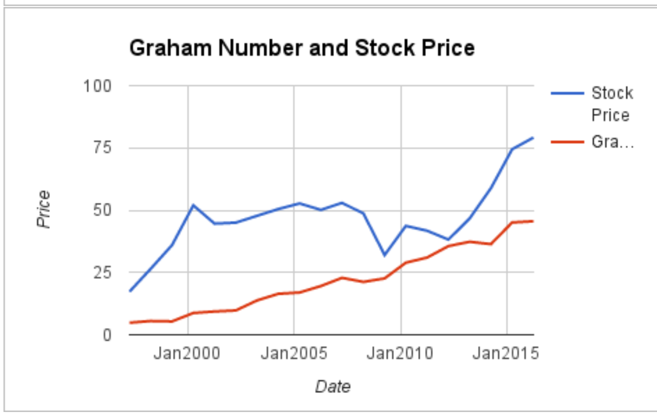
GuruFocus SEC Filings

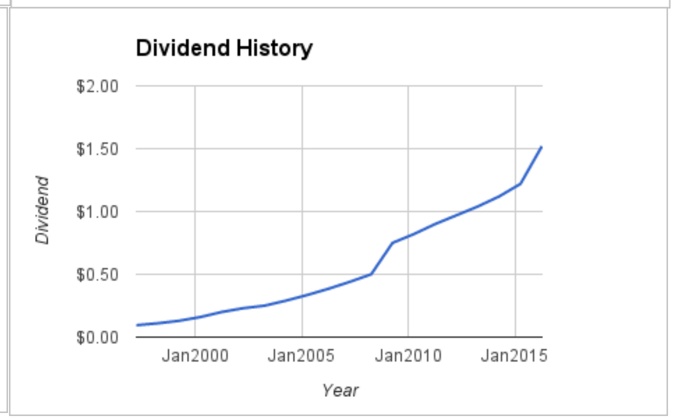
EPS History	
Next Fiscal Year Estimate	$4.60
Apr2016	$2.48
Apr2015	$2.41
Apr2014	$3.02
Apr2013	$3.37
Apr2012	$3.41
Apr2011	$2.86
Apr2010	$2.79
Apr2009	$1.93
Apr2008	$1.95
Apr2007	$2.41
Apr2006	$2.09
Apr2005	$1.48
Apr2004	$1.60
Apr2003	$1.30
Apr2002	$0.80
Apr2001	$0.85
Apr2000	$0.90
Apr1999	$0.40
Apr1998	$0.48
Apr1997	$0.56

EPSmg History	
Next Fiscal Year Estimate	$3.30
Apr2016	$2.75
Apr2015	$2.93
Apr2014	$3.15
Apr2013	$3.11
Apr2012	$2.84
Apr2011	$2.50
Apr2010	$2.30
Apr2009	$2.02
Apr2008	$2.01
Apr2007	$1.96
Apr2006	$1.64
Apr2005	$1.34
Apr2004	$1.21
Apr2003	$0.96
Apr2002	$0.76
Apr2001	$0.70

Balance Sheet Information	**4/1/2016**
Total Current Assets	$23,600,000,000
Total Current Liabilities	$7,165,000,000
Long-Term Debt	$30,247,000,000
Total Assets	$99,782,000,000
Intangible Assets	$68,399,000,000
Total Liabilities	$47,719,000,000
Shares Outstanding (Diluted Average)	1,425,900,000







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	Medtronic PLC Valuation – January 2016 Update $MDT Medtronic PLC Valuation – October 2015 Update $MDT Medtronic PLC Valuation – October 2015 Update $MDT Medtronic Inc. Analysis – July 2015 Update $MDT 27 Companies in the Spotlight This Week – 4/4/15
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