

ModernGraham Valuation

Company Name:

AMETEK, Inc.

Company Ticker AME

Date of Analysis

8/5/2016



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	\$10,564,899,862	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.29	Fail
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	152.04%	Pass
6. Moderate PEmg Ratio	PEmg < 20	20.18	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.31	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	1.29	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.17	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	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.29
MG Growth Estimate	8.46%
MG Value	\$58.18
MG Value based on 3% Growth	\$33.20
MG Value based on 0% Growth	\$19.46
Market Implied Growth Rate	5.84%

MG Opinion

Current Price	\$46.19
% of Intrinsic Value	79.39%
Opinion	Fairly Valued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$8.62
Graham Number	\$26.86
PEmg	20.18
Current Ratio	1.29
PB Ratio	3.31
Current Dividend	\$0.36
Dividend Yield	0.78%
Number of Consecutive Years of Dividend Growth	7

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	\$2.27	Next Fiscal Year Estimate	\$2.29
Dec2015	\$2.45	Dec2015	\$2.22
Dec2014	\$2.37	Dec2014	\$2.01
Dec2013	\$2.10	Dec2013	\$1.73
Dec2012	\$1.88	Dec2012	\$1.46
Dec2011	\$1.58	Dec2011	\$1.21
Dec2010	\$1.17	Dec2010	\$1.00
Dec2009	\$0.85	Dec2009	\$0.88
Dec2008	\$1.02	Dec2008	\$0.85
Dec2007	\$0.94	Dec2007	\$0.72
Dec2006	\$0.76	Dec2006	\$0.58
Dec2005	\$0.59	Dec2005	\$0.47
Dec2004	\$0.48	Dec2004	\$0.40
Dec2003	\$0.39	Dec2003	\$0.35
Dec2002	\$0.37	Dec2002	\$0.31
Dec2001	\$0.29	Dec2001	\$0.28
Dec2000	\$0.31	Dec2000	\$0.26
Dec1999	\$0.27	Balance Sheet Information 3/1/2016	
Dec1998	\$0.18	Total Current Assets	\$1,662,590,000
Dec1997	\$0.22	Total Current Liabilities	\$1,290,554,000
Dec1996	\$0.23	Long-Term Debt	\$1,552,674,000
		Total Assets	\$6,994,702,000
		Intangible Assets	\$4,664,609,000
		Total Liabilities	\$3,698,016,000
		Shares Outstanding (Diluted Average)	236,216,000





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 Stocks Near Lows for Enterprising Value Investors – Aug 2016](#)

[5 Companies for Enterprising Investors Near 52 Week Lows – June 2016](#)

[26 Best Stocks For Value Investors This Week – 2/6/16](#)

[Ametek Inc Valuation – February 2016 Update \\$AME](#)

[12 Best Stocks For Value Investors This Week – 11/7/15](#)

Other
ModernGraham
posts about related
companies

[MTS Systems Corp Valuation – July 2016 \\$MTSC](#)

[Seagate Technology PLC Valuation – July 2016 \\$STX](#)

[Broadcom Limited Valuation – July 2016 \\$AVGO](#)

[Microchip Technology Inc Valuation – July 2016 \\$MCHP](#)

[Jabil Circuit Inc Valuation – July 2016 \\$JBL](#)

[KLA-Tencor Corp Valuation – July 2016 \\$KLAC](#)

[Linear Technology Corp Valuation – July 2016 \\$LLTC](#)

[Arrow Electronics Inc Valuation – July 2016 \\$ARW](#)

[Lam Research Corp Valuation – June 2016 \\$LRCX](#)

[TE Connectivity Ltd Valuation – June 2016 \\$TEL](#)