# **ModernGraham Valuation**

## **Company Name:**

**Edwards Lifesciences** Corp



Company Ticker Date of Analysis

8/16/2016

#### 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.

7. Moderate Price to Assets

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$24,169,539,473 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.15 Pass
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 5. Earnings Growth 329.43% Pass 6. Moderate PEmg Ratio 44.98 Fail PB Ratio < 2.5 OR PB\*PEmg < 50 9.93 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	4.15 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.40 Pass
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Fail
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

MG Opinion

Defensive No Enterprising Yes

#### Stage 2: Determination of Intrinsic Value

EPSmg	\$2.51
MG Growth Estimate	15.00%
MG Value	\$96.69
MG Value based on 3% Growth	\$36.41
MG Value based on 0% Growth	\$21.35
Market Implied Growth Rate	18.24%
Current Price	\$112.95
% of Intrinsic Value	116.82%

Opinion Overvalued MG Grade C-

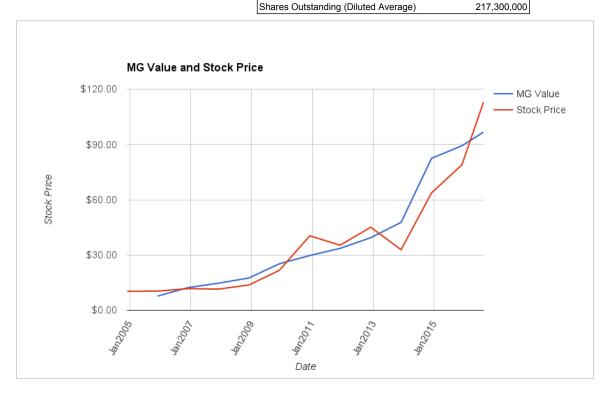
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$1.86
Graham Number	\$25.87
PEmg	44.98
Current Ratio	4.15
PB Ratio	9.93
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

**Useful Links:** ModernGraham tagged articles

Morningstar Google Finance MSN Money Yahoo Finance Seeking Alpha GuruFocus SEC Filings

EPS History		EPSmg History	
Next Fiscal Year	40.50	Next Final Very Fatingsto	<b>*</b> 0.54
Estimate	•	Next Fiscal Year Estimate	\$2.51
Dec2015	\$2.25	Dec2015	\$2.32
Dec2014	\$3.74	Dec2014	\$2.14
Dec2013	\$1.71	Dec2013	\$1.28
Dec2012	\$1.23	Dec2012	\$1.02
Dec2011	\$0.99	Dec2011	\$0.87
Dec2010	\$0.92	Dec2010	\$0.77
Dec2009	\$0.98	Dec2009	\$0.66
Dec2008	\$0.55	Dec2008	\$0.46
Dec2007	\$0.47	Dec2007	\$0.38
Dec2006	\$0.53	Dec2006	\$0.32
Dec2005	\$0.32	Dec2005	\$0.20
Dec2004	\$0.01	Dec2004	\$0.13
Dec2003	\$0.32	Dec2003	\$0.16
Dec2002	\$0.23	Dec2002	\$0.06
Dec2001	-\$0.05	Dec2001	-\$0.02
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information	6/1/2016
Dec1998	\$0.00	Total Current Assets	\$1,985,100,000
Dec1997	\$0.00	Total Current Liabilities	\$478,200,000
Dec1996	\$0.00	Long-Term Debt	\$602,500,000
	·	Total Assets	\$4,051,400,000
		Intangible Assets	\$838,100,000
		Total Liabilities	\$1,580,200,000
		Shares Outstanding (Diluted Average)	217 300 000





#### 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

 $\underline{\text{15 Best Stocks For Value Investors This Week} - 2/13/16}$ 

Edwards Lifesciences Corp Valuation – February 2016 \$EW

The Best Companies of the Medical Industry – September 2015

15 Best Stocks For Value Investors This Week – 9/12/15

Edwards Lifesciences Corporation Analysis – September 2015 Update \$EW

Other ModernGraham posts about related companies

Cerner Corporation Valuation – August 2016 \$CERN

Stryker Corporation Valuation – August 2016 \$SYK

Henry Schein Inc Valuation - July 2016 \$HSIC

Quest Diagnostics Inc Valuation – July 2016 \$DGX

Tenet Healthcare Corp Valuation – July 2016 \$THC

Laboratory Corp of America Holdings Valuation – July 2016 \$LH

Medtronic PLC Valuation – July 2016 \$MDT

Intuitive Surgical Inc Valuation - July 2016 \$ISRG

Cardinal Health Inc Valuation - July 2016 \$CAH

PerkinElmer Inc Valuation – July 2016 \$PKI