

# ModernGraham Valuation

## Company Name:

Company Ticker MSI  
Date of Analysis

Motorola Solutions  
Inc

8/7/2016



## 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	\$13,429,048,584	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.97	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-194.84%	Fail
5. Earnings Growth	PEmg < 20	18.11	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	-88.50	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	1.97	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.55	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>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.06
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$156.26</b>
MG Value based on 3% Growth	\$58.85
MG Value based on 0% Growth	\$34.50
Market Implied Growth Rate	4.80%

### MG Opinion

Current Price	\$73.50
% of Intrinsic Value	47.04%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$29.35
Graham Number	\$0.00
PEmg	18.11
Current Ratio	1.97
PB Ratio	-88.50
Current Dividend	\$1.50
Dividend Yield	2.04%
Number of Consecutive Years of Dividend Growth	6

**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	\$4.37	Next Fiscal Year Estimate	\$4.06
Dec2015	\$3.02	Dec2015	\$3.85
Dec2014	\$5.29	Dec2014	\$4.02
Dec2013	\$4.06	Dec2013	\$3.07
Dec2012	\$2.96	Dec2012	\$1.38
Dec2011	\$3.41	Dec2011	-\$0.14
Dec2010	\$1.89	Dec2010	-\$1.36
Dec2009	-\$0.14	Dec2009	-\$1.36
Dec2008	-\$13.09	Dec2008	-\$0.37
Dec2007	-\$0.14	Dec2007	\$5.99
Dec2006	\$10.22	Dec2006	\$7.53
Dec2005	\$12.67	Dec2005	\$4.10
Dec2004	\$4.48	Dec2004	-\$0.71
Dec2003	\$2.66	Dec2003	-\$2.89
Dec2002	-\$7.63	Dec2002	-\$4.90
Dec2001	-\$12.46	Dec2001	-\$2.66
Dec2000	\$4.06	Dec2000	\$2.32
Dec1999	\$3.06	<b>Balance Sheet Information 3/1/2016</b>	
Dec1998	-\$3.76	Total Current Assets	\$4,001,000,000
Dec1997	\$4.53	Total Current Liabilities	\$2,032,000,000
Dec1996	\$4.43	Long-Term Debt	\$5,023,000,000
		Total Assets	\$9,049,000,000
		Intangible Assets	\$1,259,000,000
		Total Liabilities	\$9,196,000,000
		Shares Outstanding (Diluted Average)	177,000,000





#### 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 Companies with a Low Beta – August 2016](#)
- [5 Undervalued Companies with a Low Beta – July 2016](#)
- [5 Undervalued Companies with a Low Beta – May 2016](#)
- [5 Undervalued Companies with a Low Beta – February 2016](#)
- [26 Best Stocks For Value Investors This Week – 2/6/16](#)

Other  
ModernGraham  
posts about related  
companies

- [F5 Networks Inc Valuation – July 2016 \\$FFIV](#)
- [Computer Sciences Corp Valuation – July 2016 \\$CSC](#)
- [Infosys Ltd Valuation – July 2016 \\$INFY](#)
- [Cognizant Technology Solutions Corp Valuation – July 2016 \\$CTSH](#)
- [Total System Services Inc Valuation – May 2016 \\$TSS](#)
- [Qualcomm Inc Valuation – February 2016 \\$QCOM](#)
- [Motorola Solutions Inc Valuation – February 2016 Update \\$MSI](#)
- [Cognizant Technology Solutions Corp Valuation – January 2016 Update \\$CTSH](#)
- [Akamai Technologies Inc Valuation – January 2016 \\$AKAM](#)
- [Infosys Ltd Valuation – January 2016 Update \\$INFY](#)