

ModernGraham Valuation

Company Name:

Motorola Solutions Inc

Company Ticker

MSI

Date of Analysis

12/21/2016



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	\$13,912,693,872	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.76	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-189.38%	Fail
6. Moderate PEmg Ratio	PEmg < 20	22.02	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-21.62	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	1.76	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.07	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	\$3.82
MG Growth Estimate	15.00%
MG Value	\$146.89
MG Value based on 3% Growth	\$55.32
MG Value based on 0% Growth	\$32.43
Market Implied Growth Rate	6.76%

MG Opinion

Current Price	\$84.00
% of Intrinsic Value	57.19%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$32.28
Graham Number	\$0.00
PEmg	22.02
Current Ratio	1.76
PB Ratio	-21.62
Current Dividend	\$1.64
Dividend Yield	1.95%
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		Next Fiscal Year Estimate	
Dec2015	\$3.64	Dec2015	\$3.82
Dec2014	\$3.02	Dec2014	\$3.85
Dec2013	\$5.29	Dec2013	\$4.02
Dec2012	\$4.06	Dec2012	\$3.06
Dec2011	\$2.96	Dec2011	\$1.38
Dec2010	\$3.41	Dec2010	-\$0.15
Dec2009	\$1.87	Dec2009	-\$1.37
Dec2008	-\$0.14	Dec2008	-\$1.36
Dec2007	-\$13.09	Dec2007	-\$0.37
Dec2006	-\$0.14	Dec2006	\$5.99
Dec2005	\$10.22	Dec2005	\$7.53
Dec2004	\$12.67	Dec2004	\$4.10
Dec2003	\$4.48	Dec2003	-\$0.71
Dec2002	\$2.66	Dec2002	-\$2.91
Dec2001	-\$7.63	Dec2001	-\$4.88
Dec2000	-\$12.46	Dec2000	-\$2.60
Dec1999	\$4.06	Dec2000	\$2.40
Dec1998	\$2.87	Balance Sheet Information 9/1/2016	
Dec1997	-\$3.08	Total Current Assets	\$3,804,000,000
Dec1996	\$4.55	Total Current Liabilities	\$2,161,000,000
	\$4.41	Long-Term Debt	\$5,044,000,000
		Total Assets	\$8,619,000,000
		Intangible Assets	\$1,366,000,000
		Total Liabilities	\$9,278,000,000
		Shares Outstanding (Diluted Average)	169,600,000





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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- [5 Undervalued Companies with a Low Beta – May 2016](#)
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- [Qualcomm Inc Valuation – August 2016 \\$QCOM](#)
- [Verisign Inc Valuation – August 2016 \\$VRSN](#)
- [Akamai Technologies Inc Valuation – August 2016 \\$AKAM](#)
- [Motorola Solutions Inc Valuation – August 2016 \\$MSI](#)
- [F5 Networks Inc Valuation – July 2016 \\$FFIV](#)
- [Computer Sciences Corp Valuation – July 2016 \\$CSC](#)
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