

ModernGraham Valuation

Company Name:

iRobot Corporation

Company Ticker IRBT

Date of Analysis

1/7/2017



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	\$1,580,312,994	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.80	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	688.46%	Pass
5. Earnings Growth	PEmg < 20	46.32	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.48	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	3.80	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.27
MG Growth Estimate	8.81%
MG Value	\$33.13
MG Value based on 3% Growth	\$18.39
MG Value based on 0% Growth	\$10.78
Market Implied Growth Rate	18.91%

MG Opinion

Current Price	\$58.73
% of Intrinsic Value	177.26%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$8.92
Graham Number	\$20.41
PEmg	46.32
Current Ratio	3.80
PB Ratio	4.48
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 Estimate		Next Fiscal Year Estimate	
	\$1.38		\$1.27
Dec2015	\$1.47	Dec2015	\$1.19
Dec2014	\$1.25	Dec2014	\$1.05
Dec2013	\$0.94	Dec2013	\$0.90
Dec2012	\$0.61	Dec2012	\$0.80
Dec2011	\$1.44	Dec2011	\$0.79
Dec2010	\$0.96	Dec2010	\$0.42
Dec2009	\$0.13	Dec2009	\$0.15
Dec2008	\$0.03	Dec2008	\$0.15
Dec2007	\$0.36	Dec2007	\$0.13
Dec2006	\$0.14	Dec2006	-\$0.16
Dec2005	\$0.11	Dec2005	-\$0.42
Dec2004	\$0.01	Dec2004	-\$0.67
Dec2003	-\$0.79	Dec2003	-\$0.90
Dec2002	-\$2.00	Dec2002	-\$0.80
Dec2001	-\$0.50	Dec2001	-\$0.17
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information 9/1/2016	
Dec1998	\$0.00	Total Current Assets	\$341,908,000
Dec1997	\$0.00	Total Current Liabilities	\$89,878,000
Dec1996	\$0.00	Long-Term Debt	\$0
		Total Assets	\$458,626,000
		Intangible Assets	\$54,112,000
		Total Liabilities	\$94,109,000
		Shares Outstanding (Diluted Average)	27,778,000





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

#N/A

Other
ModernGraham
posts about related
companies

[IPG Photonics Corp Valuation – Initial Coverage \\$IPGP](#)
[Ciena Corporation Valuation – Initial Coverage \\$CIEN](#)
[ScanSource Inc Valuation – Initial Coverage \\$SCSC](#)
[Cognex Corporation Valuation – Initial Coverage \\$CGNX](#)
[AMETEK Inc Valuation – December 2016 \\$AME](#)
[Ingram Micro Inc Valuation – Initial Coverage \\$IM](#)
[Sanmina Corp Valuation – Initial Coverage \\$SANM](#)
[Qorvo Inc Valuation – December 2016 Update \\$QRVO](#)
[IIVI Inc Valuation – Initial Coverage \\$IIVI](#)
[CEVA Inc Valuation – Initial Coverage \\$CEVA](#)