

ModernGraham Valuation

Company Name:

Company Ticker KEYS

Date of Analysis

2/8/2017

Keysight
Technologies Inc



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	\$6,271,279,391	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.88	Pass
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	24233.33%	Pass
6. Moderate PEmg Ratio	PEmg < 20	15.24	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.16	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	2.88	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.91	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
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.40
MG Growth Estimate	0.94%
MG Value	\$24.92
MG Value based on 3% Growth	\$34.79
MG Value based on 0% Growth	\$20.39
Market Implied Growth Rate	3.37%

MG Opinion

Current Price	\$36.57
% of Intrinsic Value	146.74%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

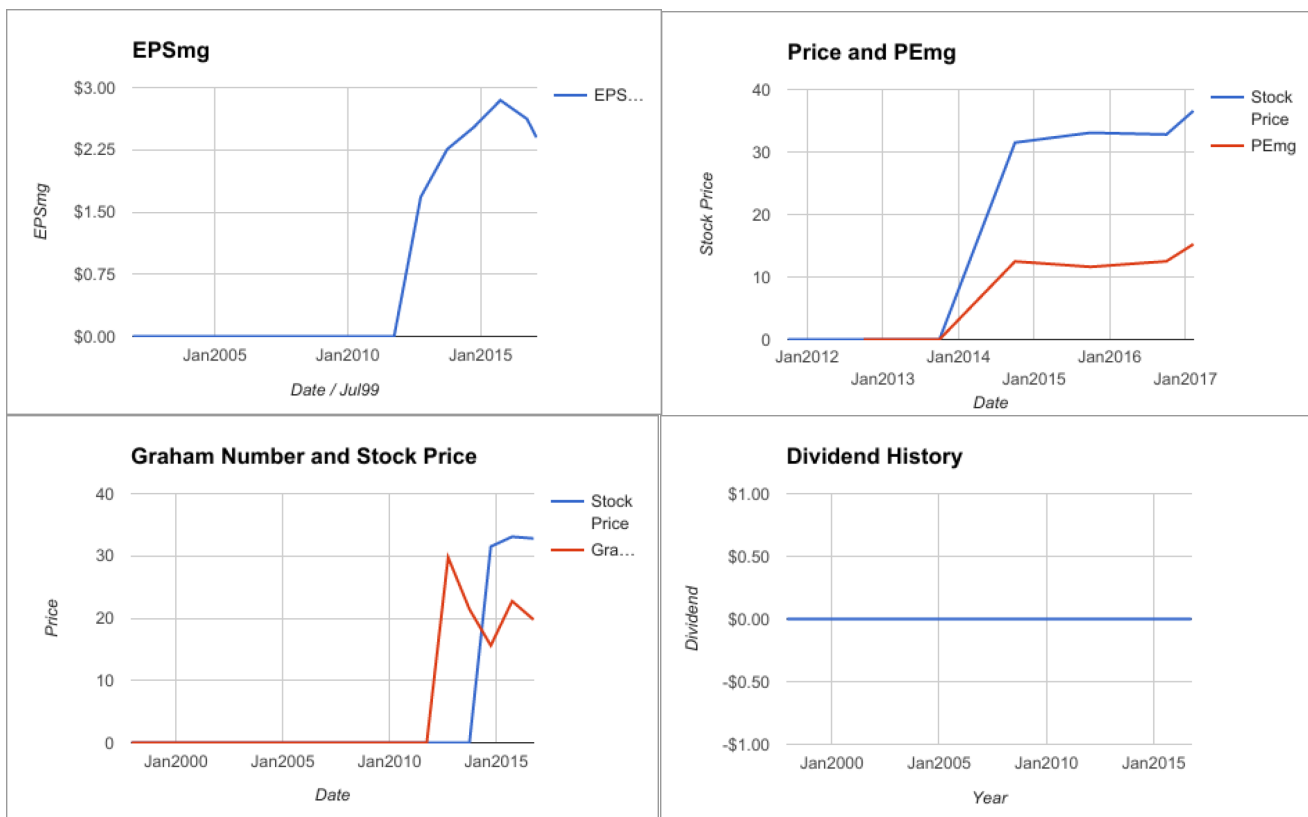
Net Current Asset Value (NCAV)	-\$2.53
Graham Number	\$21.71
PEmg	15.24
Current Ratio	2.88
PB Ratio	4.16
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$2.35	Next Fiscal Year Estimate	\$2.40
Oct2016	\$1.95	Oct2016	\$2.62
Oct2015	\$3.00	Oct2015	\$2.85
Oct2014	\$2.35	Oct2014	\$2.52
Oct2013	\$2.74	Oct2013	\$2.26
Oct2012	\$5.04	Oct2012	\$1.68
Oct2011	\$0.00	Oct2011	\$0.00
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information	10/1/2016
Dec1999	\$0.00	Total Current Assets	\$1,854,000,000
Dec1998	\$0.00	Total Current Liabilities	\$644,000,000
Dec1997	\$0.00	Long-Term Debt	\$1,100,000,000
		Total Assets	\$3,803,000,000
		Intangible Assets	\$944,000,000
		Total Liabilities	\$2,290,000,000
		Shares Outstanding (Diluted Average)	172,000,000





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

#N/A

Other
ModernGraham
posts about related
companies

- [Apple Inc Valuation – January 2017 \\$AAPL](#)
- [Silicon Laboratories Valuation – Initial Coverage \\$SLAB](#)
- [Itron Inc Valuation – Initial Coverage \\$ITRI](#)
- [Celestica Inc Valuation – Initial Coverage \\$TSE:CLS](#)
- [Intersil Corp Valuation – Initial Coverage \\$ISIL](#)
- [iRobot Corp Valuation – Initial Coverage \\$IRBT](#)
- [Advanced Micro Devices Inc Valuation – January 2017 \\$AMD](#)
- [IPG Photonics Corp Valuation – Initial Coverage \\$IPGP](#)
- [Ciena Corporation Valuation – Initial Coverage \\$CIEN](#)
- [ScanSource Inc Valuation – Initial Coverage \\$SCSC](#)