# ModernGraham Valuation

# **Company Name:**

Company Ticker IR Date of Analysis Ingersoll-Rand PLC



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

2/28/2018

Defensive Investor; must pass 6 out of the following 7 tests.

1.	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$22,190,172,467	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	1.27	Fail
3.	Earnings Stability	Positive EPS for 10 years prior		Pass
4.	Dividend Record	Dividend Payments for 10 years prior		Pass
5		Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	268.85%	Pass
	0	0 0		
6.	Moderate PEmg Ratio	PEmg < 20	18.82	Pass
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.15	Fail
Enterprising Investor; mus	t pass 4 out of the following 5 tests, or be s	uitable for the Defensive Investor.		
1.	Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.27	Fail

<ol> <li>Sufficiently Strong Financial Condition</li> </ol>	Current Ratio > 1.5	1.27	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.29	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
	Score		

#### Suitability

Defensive	No	
Enterprising	No	

### Stage 2: Determination of Intrinsic Value

	EPSmg		\$4.72
	MG Growth Estimate		12.19%
	MG Value		\$155.15
	MG Value based on 3% Growth		\$68.40
	MG Value based on 0% Growth		\$40.10
	Market Implied Growth Rate		5.16%
MG Opinion			
	Current Price		\$88.80
	% of Intrinsic Value		57.24%
	Opinion	Undervalued	
	MG Grade	C-	

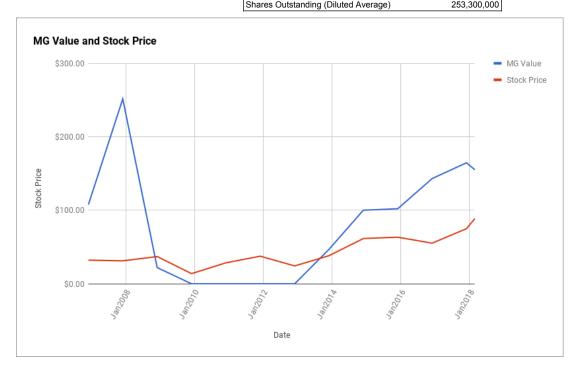
## Stage 3: Information for Further Research

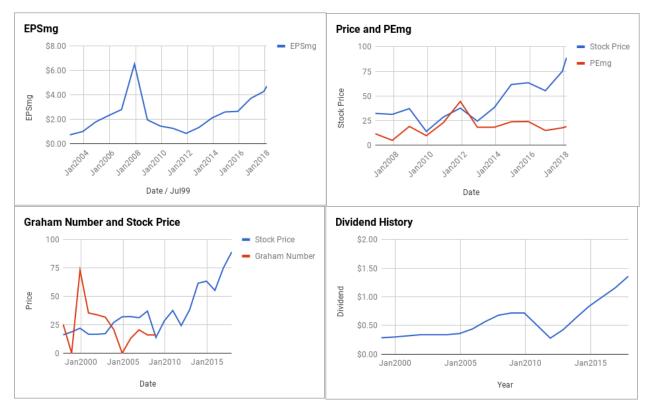
Net Current Asset Value (NCAV)	-\$19.40
Graham Number	\$56.98
PEmg	18.82
Current Ratio	1.27
PB Ratio	3.15
Current Dividend	\$1.70
Dividend Yield	1.91%
Number of Consecutive Years of Dividend	
Growth	7

Useful Links:

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EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$5.05	Next Fiscal Year Estimate	\$4.72
Dec2017	\$5.05	Dec2017	\$4.28
Dec2016	\$5.65	Dec2016	\$3.72
Dec2015	\$2.48	Dec2015	\$2.65
Dec2014	\$3.40	Dec2014	\$2.60
Dec2013	\$2.07	Dec2013	\$2.11
Dec2012	\$3.28	Dec2012	\$1.34
Dec2011	\$1.01	Dec2011	\$0.85
Dec2010	\$1.89	Dec2010	\$1.25
Dec2009	\$1.37	Dec2009	\$1.45
Dec2008	-\$8.73	Dec2008	\$1.95
Dec2007	\$13.43	Dec2007	\$6.54
Dec2006	\$3.20	Dec2006	\$2.80
Dec2005	\$3.09	Dec2005	\$2.31
Dec2004	\$3.47	Dec2004	\$1.79
Dec2003	\$1.87	Dec2003	\$1.00
Dec2002	-\$0.52	Dec2002	\$0.72
Dec2001	\$0.74	Balance Sheet Information	12/1/2017
Dec2000	\$2.06	Total Current Assets	\$6,119,100,000
Dec1999	\$1.38	Total Current Liabilities	\$4,828,000,000
Dec1998	\$1.54	Long-Term Debt	\$2,957,000,000
		Total Assets	\$18,173,300,000
		Intangible Assets	\$9,678,600,000
		Total Liabilities	\$11,033,000,000
		Shares Outstanding (Diluted Average)	253,300,000





#### Disclaimer:

. companies

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	34 Companies in the Spotlight This Week – 2/7/15
ModernGraham posts about the	Ingersoll-Rand Inc. Annual Valuation – 2015 \$IR
company	14 Companies in the Spotlight This Week - 1/18/14
	Ingersoll-Rand PLC (IR) Annual Valuation

Other ModernGraham Briggs & Stratton Corp Valuation - Initial Coverage \$BGG Albany International Corp Valuation - Initial Coverage \$AIN posts about related Terex Corporation Valuation – Initial Coverage \$TEX Donaldson Co Inc Valuation - Initial Coverage \$DCI Stanley Black & Decker Inc Valuation – April 2017 \$SWK Lindsay Corp Valuation – Initial Coverage \$LNN Lennox International Inc Valuation – Initial Coverage \$LII Standex Int'l Corp Valuation – Initial Coverage \$SXI Pentair PLC Valuation - March 2017 \$PNR Lincoln Electric Holdings Inc Valuation – Initial Coverage \$LECO