

# ModernGraham Valuation

Company Name:

Intuitive Surgical, Inc.

Company Ticker ISRG

Date of Analysis

3/25/2018



## 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	\$45,128,739,319	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.99	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	128.98%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	58.86	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	9.93	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	3.99	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
	Score		

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$6.78
MG Growth Estimate	7.38%
<b>MG Value</b>	<b>\$157.71</b>
MG Value based on 3% Growth	\$98.32
MG Value based on 0% Growth	\$57.64
Market Implied Growth Rate	25.18%

### MG Opinion

Current Price	\$399.15
% of Intrinsic Value	253.09%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$15.13
Graham Number	\$93.58
PEmg	58.86
Current Ratio	3.99
PB Ratio	9.93
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$9.25	Next Fiscal Year Estimate	\$6.78
Dec2017	\$5.67	Dec2017	\$5.46
Dec2016	\$6.24	Dec2016	\$5.30
Dec2015	\$5.18	Dec2015	\$4.81
Dec2014	\$3.70	Dec2014	\$4.55
Dec2013	\$5.58	Dec2013	\$4.65
Dec2012	\$5.33	Dec2012	\$3.88
Dec2011	\$4.11	Dec2011	\$2.92
Dec2010	\$3.16	Dec2010	\$2.13
Dec2009	\$1.98	Dec2009	\$1.50
Dec2008	\$1.71	Dec2008	\$1.15
Dec2007	\$1.23	Dec2007	\$0.77
Dec2006	\$0.63	Dec2006	\$0.44
Dec2005	\$0.84	Dec2005	\$0.25
Dec2004	\$0.22	Dec2004	-\$0.14
Dec2003	-\$0.14	Dec2003	-\$0.51
Dec2002	-\$0.34	Dec2002	-\$1.10
Dec2001	-\$0.31	<b>Balance Sheet Information 12/1/2017</b>	
Dec2000	-\$1.04	Total Current Assets	\$2,810,900,000
Dec1999	-\$2.54	Total Current Liabilities	\$704,100,000
Dec1998	-\$5.43	Long-Term Debt	\$0
		Total Assets	\$5,758,000,000
		Intangible Assets	\$227,100,000
		Total Liabilities	\$1,032,800,000
		Shares Outstanding (Diluted Average)	117,500,000





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**

- [Intuitive Surgical Inc Valuation – July 2016 \\$ISRG](#)
- [Intuitive Surgical Inc Valuation – January 2016 Update \\$ISRG](#)
- [Intuitive Surgical Inc. Analysis – September 2015 Update \\$ISRG](#)
- [Intuitive Surgical Analysis – June 2015 Update \\$ISRG](#)
- [23 Companies in the Spotlight This Week – 3/9/15](#)

**Other ModernGraham posts about related companies**

- [PerkinElmer Inc Valuation – March 2018 \\$PKI](#)
- [Cardinal Health Inc Valuation – March 2018 \\$CAH](#)
- [Varian Medical Systems Inc Valuation – March 2018 \\$VAR](#)
- [Zimmer Biomet Holdings Inc Valuation – March 2018 \\$ZBH](#)
- [Henry Schein Inc Valuation – March 2018 \\$HSIC](#)
- [Medtronic PLC Valuation – March 2018 \\$MDT](#)
- [UnitedHealth Group Inc Valuation – February 2018 \\$UNH](#)
- [VCA Inc Valuation – Initial Coverage \\$WOOE](#)
- [Universal Health Services Inc Valuation – August 2017 \\$UHS](#)
- [Teleflex Inc Valuation – Initial Coverage \\$TFX](#)