ModernGraham Valuation

Company Name:

Company Ticker ISRG Date of Analysis Intuitive Surgical, 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	\$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
5.	Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	128.98%	Pass
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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

	EPSmg		\$6.78
	MG Growth Estimate		7.38%
	MG Value		\$157.71
	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%
	Opinion	Overvalued	
	MG Grade	C-	

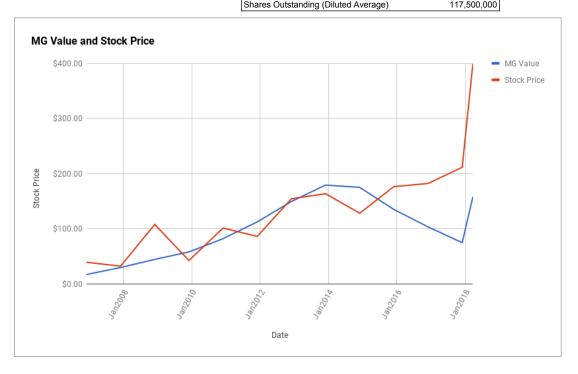
Stage 3: Information for Further Research

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:

ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus Morningstar MSN Money Seeking Alpha SEC Filings

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	Balance Sheet Information	12/1/2017
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 Ing Valuation March 2019 #HEIC		

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 \$WOOF

Universal Health Services Inc Valuation – August 2017 \$UHS

Telefex Inc Valuation – Initial Coverage \$TFX