

ModernGraham Valuation

Company Name:

Gartner Inc

Company Ticker IT

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	\$10,690,230,261	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.92	Fail
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	90.63%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	55.18	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	11.54	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	0.92	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-12.39	Fail
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	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.13
MG Growth Estimate	2.90%
MG Value	\$30.52
MG Value based on 3% Growth	\$30.92
MG Value based on 0% Growth	\$18.13
Market Implied Growth Rate	23.34%

MG Opinion

Current Price	\$117.69
% of Intrinsic Value	385.64%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

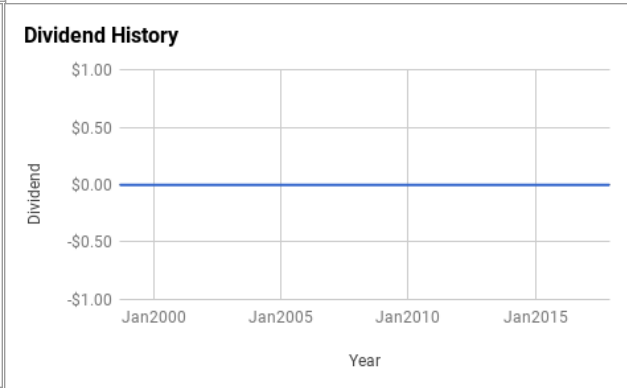
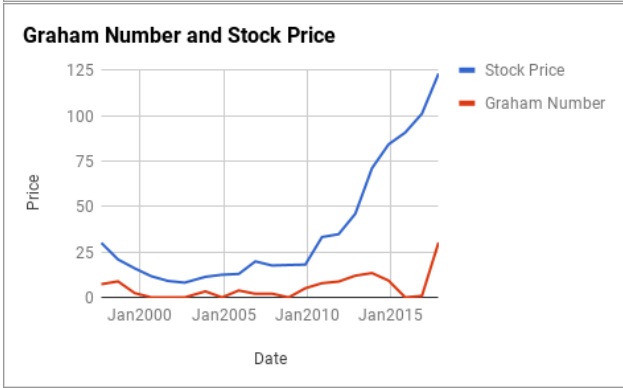
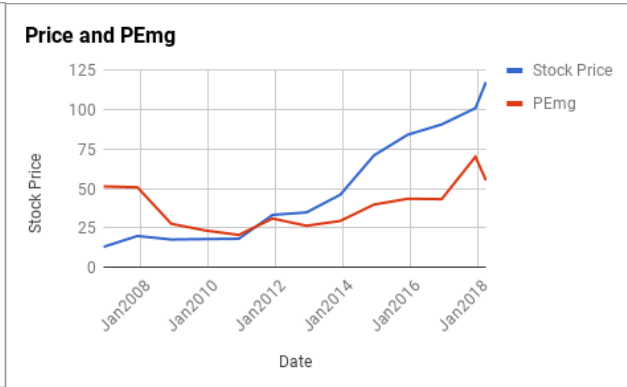
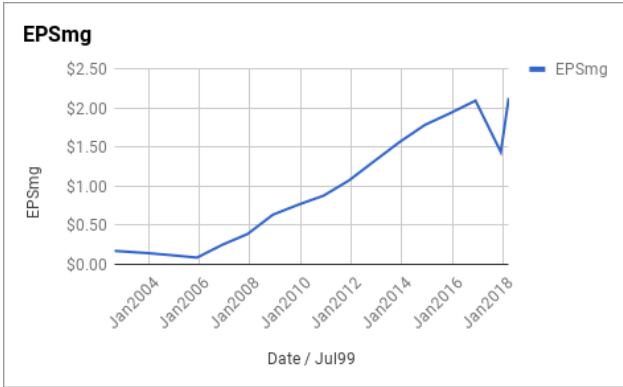
Net Current Asset Value (NCAV)	-\$38.49
Graham Number	\$30.23
PEmg	55.18
Current Ratio	0.92
PB Ratio	11.54
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$3.75	Next Fiscal Year Estimate	\$2.13
Dec2017	\$0.04	Dec2017	\$1.44
Dec2016	\$2.31	Dec2016	\$2.10
Dec2015	\$2.06	Dec2015	\$1.94
Dec2014	\$2.03	Dec2014	\$1.79
Dec2013	\$1.93	Dec2013	\$1.57
Dec2012	\$1.73	Dec2012	\$1.32
Dec2011	\$1.39	Dec2011	\$1.07
Dec2010	\$0.96	Dec2010	\$0.88
Dec2009	\$0.85	Dec2009	\$0.76
Dec2008	\$1.05	Dec2008	\$0.64
Dec2007	\$0.68	Dec2007	\$0.39
Dec2006	\$0.50	Dec2006	\$0.25
Dec2005	-\$0.02	Dec2005	\$0.09
Dec2004	\$0.13	Dec2004	\$0.12
Dec2003	\$0.25	Dec2003	\$0.15
Sep2002	\$0.46	Sep2002	\$0.17
Sep2001	-\$0.78	Balance Sheet Information 12/1/2017	
Sep2000	\$0.30	Total Current Assets	\$2,588,608,000
Sep1999	\$0.84	Total Current Liabilities	\$2,822,585,000
Sep1998	\$0.84	Long-Term Debt	\$2,899,124,000
		Total Assets	\$7,283,173,000
		Intangible Assets	\$4,279,316,000
		Total Liabilities	\$6,299,708,000
		Shares Outstanding (Diluted Average)	96,405,000





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
- [International Business Machines Corp Valuation – February 2018 \\$IBM](#)
 - [Viavi Solutions Inc Valuation – Initial Coverage \\$VIAV](#)
 - [Equinix Inc Valuation – July 2017 \\$EQIX](#)
 - [Liquidity Services Inc Valuation – Initial Coverage \\$LQDT](#)
 - [LivePerson Inc Valuation – Initial Coverage \\$LPSN](#)
 - [LogMeIn Inc Valuation – Initial Coverage \\$LOGM](#)
 - [Sykes Enterprises Inc Valuation – Initial Coverage \\$SYKE](#)
 - [Convergys Corp Valuation – Initial Coverage \\$CVG](#)
 - [International Business Machines Corp Valuation – March 2017 \\$IBM](#)
 - [Verisk Analytics Inc Valuation – Initial Coverage \\$VRSK](#)