ModernGraham Valuation

Company Name: PerkinElmer, Inc.

Company Ticker	PKI
Date of Analysis	3/22/2018

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	$8,314,347,208	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.26	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	99.76%	Pass
6. Moderate PEmg Ratio	PEmg < 20	28.72	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.35	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	1.26	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	7.18	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	$2.62
MG Growth Estimate	15.00%
MG Value	**$100.87**
MG Value based on 3% Growth	$37.99
MG Value based on 0% Growth	$22.27
Market Implied Growth Rate	10.11%

MG Opinion

Current Price	$75.24
% of Intrinsic Value	74.59%
Opinion	**Undervalued**
MG Grade	**C-**

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$21.42
Graham Number	$41.99
PEmg	28.72
Current Ratio	1.26
PB Ratio	3.35
Current Dividend	$0.28
Dividend Yield	0.37%
Number of Consecutive Years of Dividend Growth	0

EPS History		EPSmg History	
Next Fiscal Year Estimate	$3.45	Next Fiscal Year Estimate	$2.62
Dec2017	$2.64	Dec2017	$2.10
Dec2016	$2.12	Dec2016	$1.72
Dec2015	$1.87	Dec2015	$1.37
Dec2014	$1.39	Dec2014	$1.21
Dec2013	$1.47	Dec2013	$1.16
Dec2012	$0.61	Dec2012	$1.05
Dec2011	$0.07	Dec2011	$1.27
Dec2010	$3.31	Dec2010	$1.72
Dec2009	$0.73	Dec2009	$1.01
Dec2008	$1.07	Dec2008	$1.16
Dec2007	$1.09	Dec2007	$1.15
Dec2006	$0.95	Dec2006	$0.98
Dec2005	$2.04	Dec2005	$0.82
Dec2004	$0.74	Dec2004	$0.22
Dec2003	$0.41	Dec2003	$0.02
Dec2002	-$1.21	Dec2002	-$0.03
Dec2001	$0.32	**Balance Sheet Information**	**12/1/2017**
Dec2000	$0.89	Total Current Assets	$1,199,955,000
Dec1999	$0.29	Total Current Liabilities	$950,902,000
Dec1998	$1.11	Long-Term Debt	$1,788,803,000
		Total Assets	$6,091,463,000
		Intangible Assets	$4,349,138,000
		Total Liabilities	$3,588,275,000
		Shares Outstanding (Diluted Average)	111,477,000

MG Value and Stock Price

EPSmg

Price and PEmg

Graham Number and Stock Price

Dividend History
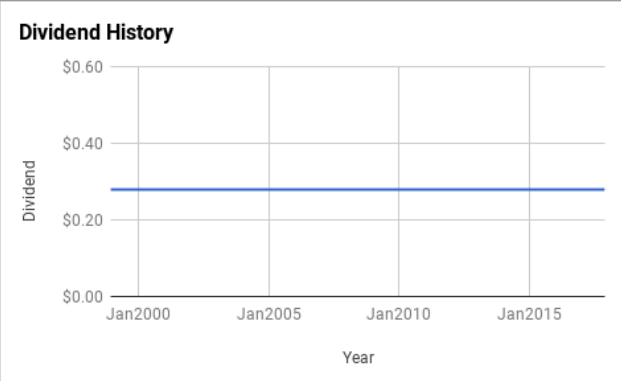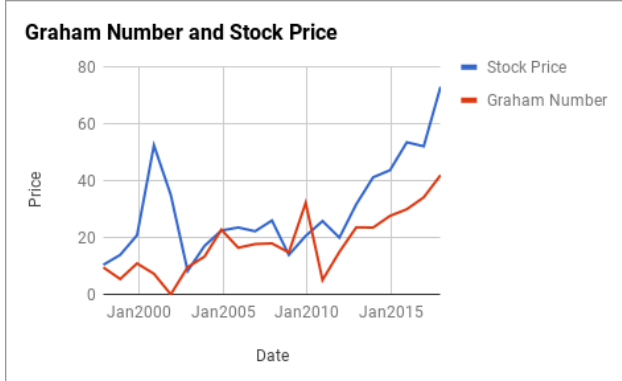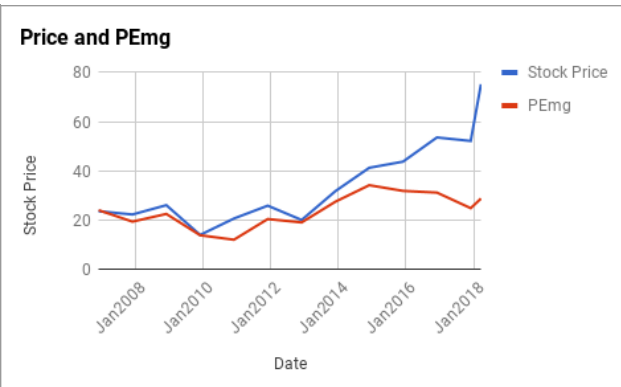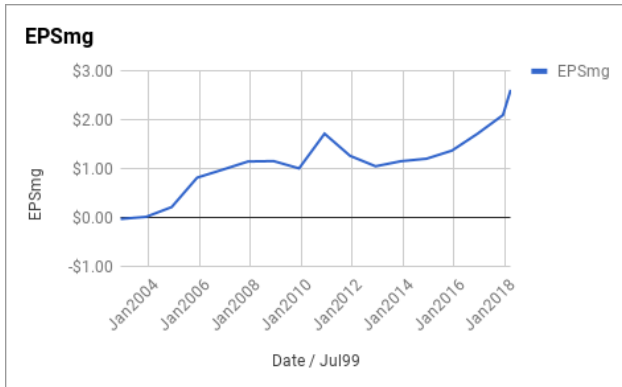
Disclaimer:

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	PerkinElmer Inc Valuation – January 2016 Update $PKI
	PerkinElmer Inc. Analysis – October 2015 Update $PKI
	5 Speculative and Overvalued Companies to Avoid – October 2014
	14 Companies in the Spotlight This Week – 10/18/14
	PerkinElmer Inc. Annual Stock Valuation – 2014 $PKI

Other ModernGraham posts about related companies	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 $WOOF
	Universal Health Services Inc Valuation – August 2017 $UHS
	Telefex Inc Valuation – Initial Coverage $TFX
	BIO-TECHNE Corp Valuation – Initial Coverage $TECH