

ModernGraham Valuation

Seagate Technology
PLC



Company Name:

Company Ticker STX

Date of Analysis

3/5/2018

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	\$15,705,383,820	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.58	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-405.53%	Fail
5. Earnings Growth	PEmg < 20	18.81	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	15.12	Fail
7. Moderate Price to Assets			

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	1.58	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.40	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.93
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$42.50
MG Value based on 0% Growth	\$24.92
Market Implied Growth Rate	5.16%

MG Opinion

Current Price	\$55.14
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

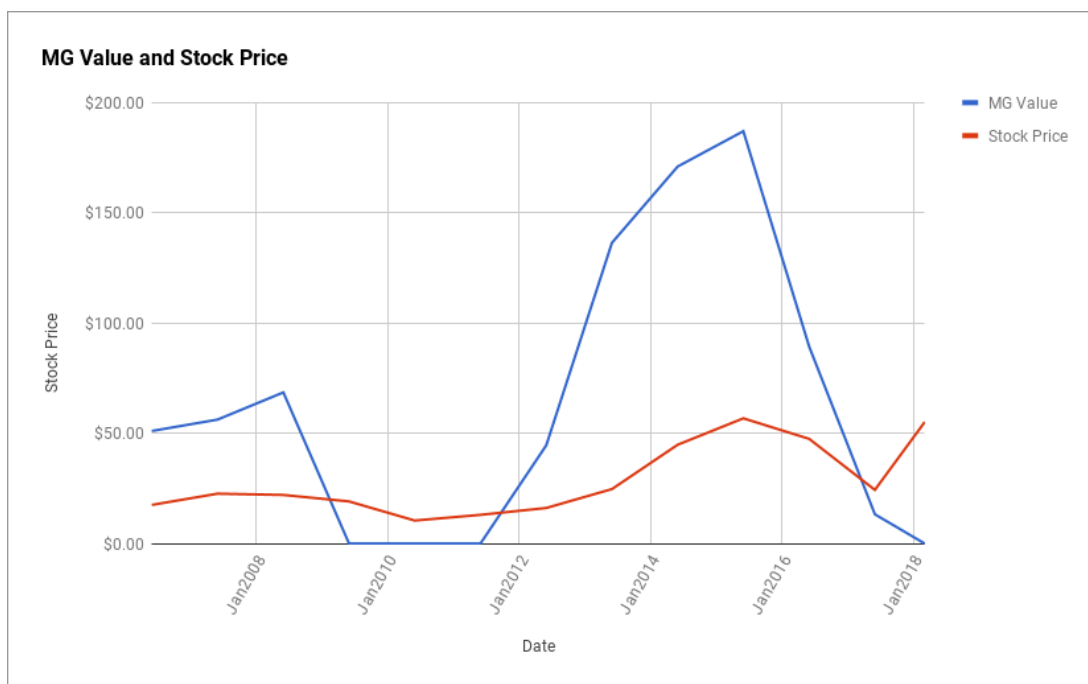
Net Current Asset Value (NCAV)	-\$9.55
Graham Number	\$18.43
PEmg	18.81
Current Ratio	1.58
PB Ratio	15.12
Current Dividend	\$2.52
Dividend Yield	4.57%
Number of Consecutive Years of Dividend Growth	7

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	\$3.23	Next Fiscal Year Estimate	\$2.93
Jun2017	\$2.58	Jun2017	\$3.05
Jun2016	\$0.82	Jun2016	\$3.65
Jun2015	\$5.26	Jun2015	\$4.86
Jun2014	\$4.52	Jun2014	\$4.44
Jun2013	\$4.81	Jun2013	\$3.54
Jun2012	\$6.49	Jun2012	\$2.39
Jun2011	\$1.09	Jun2011	\$0.34
Jun2010	\$3.14	Jun2010	\$0.13
Jun2009	-\$6.40	Jun2009	-\$0.88
Jun2008	\$2.36	Jun2008	\$1.78
Jun2007	\$1.56	Jun2007	\$1.46
Jun2006	\$1.60	Jun2006	\$1.33
Jun2005	\$1.41	Jun2005	\$1.07
Jun2004	\$1.06	Jun2004	\$0.79
Jun2003	\$1.36	Jun2003	\$0.55
Jun2002	\$0.36	Jun2002	\$0.12
Jun2001	\$0.00	Balance Sheet Information 12/1/2017	
Jun2000	\$0.00	Total Current Assets	\$4,910,000,000
Dec1999	\$0.00	Total Current Liabilities	\$3,113,000,000
Dec1998	\$0.00	Long-Term Debt	\$4,316,000,000
		Total Assets	\$8,750,000,000
		Intangible Assets	\$1,460,000,000
		Total Liabilities	\$7,689,000,000
		Shares Outstanding (Diluted Average)	291,000,000





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

- [10 Most Undervalued Companies for the Enterprising Investor – July 2016](#)
- [Dividend Investors Should Research These 10 Stocks – July 2016](#)
- [Benjamin Graham Would Love These 10 Companies Today](#)
- [10 Low PE Stocks for the Enterprising Investor – July 2016](#)
- [5 Companies for Value Investors with a High Beta – July 2016](#)

Other ModernGraham posts about related companies

- [HP Inc Valuation – February 2018 \\$HPQ](#)
- [Intel Corp Valuation – February 2018 \\$INTC](#)
- [Apple Inc Valuation – February 2018 \\$AAPL](#)
- [Lam Research Corp Valuation – September 2017 \\$LRCX](#)
- [Vicor Corp Valuation – Initial Coverage \\$VICR](#)
- [Emerson Electric Co Valuation – August 2017 \\$EMR](#)
- [General Cable Corporation Valuation – Initial Coverage \\$BGC](#)
- [3D Systems Corp Valuation – Initial Coverage \\$DDD](#)
- [Teradyne Inc Valuation – Initial Coverage \\$TER](#)
- [Diebold Nixdorf Inc Valuation – Initial Coverage \\$DBD](#)