

# ModernGraham Valuation

Company Name:

TE Connectivity Ltd

Company Ticker TEL

Date of Analysis

3/15/2018



## 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	\$36,721,976,991	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		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-915.87%	Fail
5. Earnings Growth	PEmg < 20	20.21	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.82	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	1.58	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 Score		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.17
MG Growth Estimate	8.63%
<b>MG Value</b>	<b>\$133.27</b>
MG Value based on 3% Growth	\$74.98
MG Value based on 0% Growth	\$43.96
Market Implied Growth Rate	5.85%

### MG Opinion

Current Price	\$104.51
% of Intrinsic Value	78.42%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>C+</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.79
Graham Number	\$57.39
PEmg	20.21
Current Ratio	1.58
PB Ratio	3.82
Current Dividend	\$1.54
Dividend Yield	1.47%
Number of Consecutive Years of Dividend Growth	7

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<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
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<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Sep2017	\$5.28	Sep2017	\$5.17
Sep2016	\$4.70	Sep2016	\$4.97
Sep2015	\$5.44	Sep2015	\$4.81
Sep2014	\$5.89	Sep2014	\$4.24
Sep2013	\$4.27	Sep2013	\$3.28
Sep2012	\$3.02	Sep2012	\$2.11
Sep2011	\$2.59	Sep2011	\$1.39
Sep2010	\$2.81	Sep2010	\$0.57
Sep2009	\$2.41	Sep2009	-\$0.35
Sep2008	-\$7.11	Sep2008	-\$1.14
Sep2007	\$3.67	Sep2007	\$1.82
Sep2006	-\$1.11	Sep2006	\$0.90
Sep2005	\$2.40	Sep2005	\$1.66
Sep2004	\$2.30	Sep2004	\$1.08
Sep2003	\$1.53	Sep2003	\$0.39
Sep2002	-\$0.46	Sep2002	-\$0.15
Sep2001	\$0.00	Sep2001	\$0.00
Dec2000	\$0.00	<b>Balance Sheet Information</b>	
Dec1999	\$0.00	<b>12/1/2017</b>	
Dec1998	\$0.00	Total Current Assets	
		\$5,733,000,000	
		Total Current Liabilities	
		\$3,635,000,000	
		Long-Term Debt	
		\$3,317,000,000	
		Total Assets	
		\$18,811,000,000	
		Intangible Assets	
		\$7,478,000,000	
		Total Liabilities	
		\$9,180,000,000	
		Shares Outstanding (Diluted Average)	
		352,000,000	





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:

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ModernGraham  
posts about the  
company

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[13 Best Stocks For Value Investors This Week – 12/12/15](#)  
[TE Connectivity Ltd Valuation – December 2015 Update \\$TEL](#)  
[The Best Stocks of the IT Hardware Industry – September 2015](#)  
[19 Best Stocks For Value Investors This Week – 8/29/15](#)

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[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](#)