

ModernGraham Valuation

Company Name:

Align Technology, Inc.

Company Ticker ALGN

Date of Analysis

4/16/2018



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	\$21,278,224,300	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.32	Pass
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	618.05%	Pass
5. Earnings Growth	PEmg < 20	87.39	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	18.94	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	2.32	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.04
MG Growth Estimate	15.00%
MG Value	\$116.96
MG Value based on 3% Growth	\$44.05
MG Value based on 0% Growth	\$25.82
Market Implied Growth Rate	39.45%

MG Opinion

Current Price	\$265.50
% of Intrinsic Value	226.99%
Opinion	Overvalued
MG Grade	C-

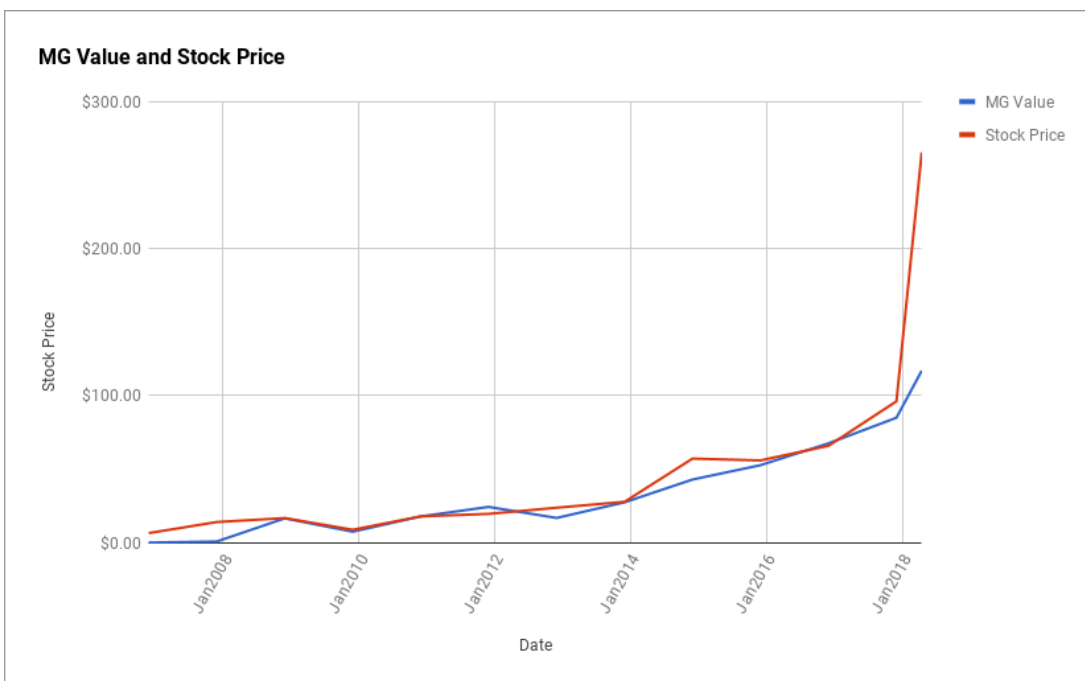
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$6.45
Graham Number	\$37.68
PEmg	87.39
Current Ratio	2.32
PB Ratio	18.94
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		Next Fiscal Year Estimate	
Dec2017	\$4.39	Dec2017	\$3.04
Dec2016	\$2.83	Dec2016	\$2.21
Dec2015	\$2.33	Dec2015	\$1.75
Dec2014	\$1.77	Dec2014	\$1.37
Dec2013	\$1.77	Dec2013	\$1.11
Dec2012	\$0.78	Dec2012	\$0.71
Dec2011	\$0.71	Dec2011	\$0.67
Dec2010	\$0.83	Dec2010	\$0.63
Dec2009	\$0.95	Dec2009	\$0.46
Dec2008	-\$0.45	Dec2008	\$0.19
Dec2007	\$1.18	Dec2007	\$0.43
Dec2006	\$0.50	Dec2006	\$0.02
Dec2005	-\$0.55	Dec2005	-\$0.30
Dec2004	\$0.02	Dec2004	-\$0.40
Dec2003	\$0.14	Dec2003	-\$2.41
Dec2002	-\$0.35	Dec2002	-\$4.71
Dec2001	-\$1.52	Dec2001	-\$6.82
Dec2000	-\$2.61	Balance Sheet Information	
Dec1999	-\$25.64	12/1/2017	
Dec1998	-\$3.65	Total Current Assets	
	\$0.00	\$1,157,003,000	
		Total Current Liabilities	
		\$497,816,000	
		Long-Term Debt	
		\$0	
		Total Assets	
		\$1,777,856,000	
		Intangible Assets	
		\$89,068,000	
		Total Liabilities	
		\$627,486,000	
		Shares Outstanding (Diluted Average)	
		82,057,000	





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

- [Align Technology Inc Valuation – August 2016 \\$ALGN](#)
- [Align Technology Inc Valuation – May 2016 \\$ALGN](#)
- [Align Technology Inc. Valuation – November 2015 Update \\$ALGN](#)
- [Align Technology Analysis – Initial Coverage \\$ALGN](#)

Other
ModernGraham
posts about related
companies

- [HCA Healthcare Inc Valuation – April 2018 \\$HCA](#)
- [Express Scripts Holding Co Valuation – April 2018 \\$ESRX](#)
- [Stryker Corp Valuation – April 2018 \\$SYK](#)
- [Cerner Corporation Valuation – April 2018 \\$CERN](#)
- [Quest Diagnostics Inc Valuation – April 2018 \\$DGX](#)
- [Laboratory Corporation of America Holdings Valuation – March 2018 \\$LH](#)
- [Intuitive Surgical Inc valuation – March 2018 \\$ISRG](#)
- [PerkinElmer Inc Valuation – March 2018 \\$PKI](#)
- [Cardinal Health Inc Valuation – March 2018 \\$CAH](#)
- [Varian Medical Systems Inc Valuation – March 2018 \\$VAR](#)