

# ModernGraham Valuation

Company Name:

Stryker Corporation

Company Ticker SYK

Date of Analysis

4/9/2018



## 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	\$58,837,538,237	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.29	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	49.95%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	34.61	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.00	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	2.29	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.46	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	\$4.54
MG Growth Estimate	12.24%
<b>MG Value</b>	<b>\$149.69</b>
MG Value based on 3% Growth	\$65.80
MG Value based on 0% Growth	\$38.57
Market Implied Growth Rate	13.05%

### MG Opinion

Current Price	\$157.05
% of Intrinsic Value	104.92%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>C+</b>

## Stage 3: Information for Further Research

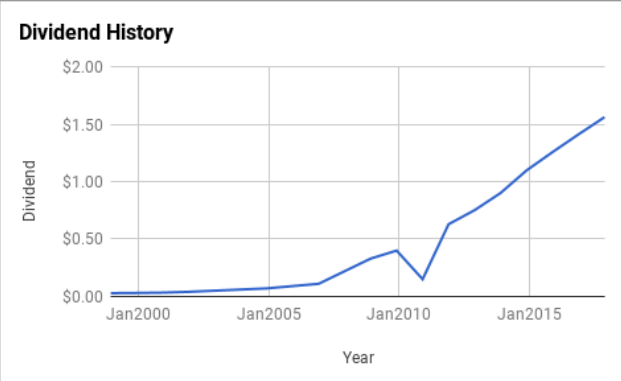
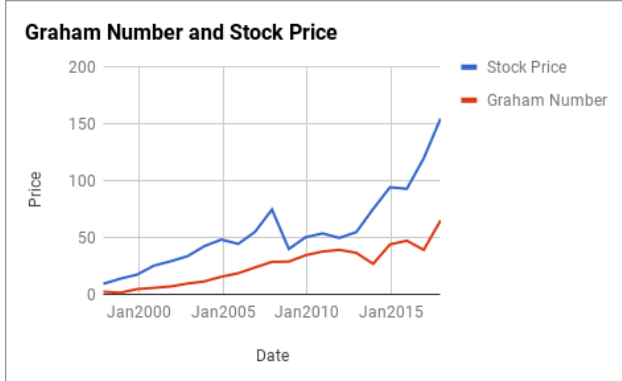
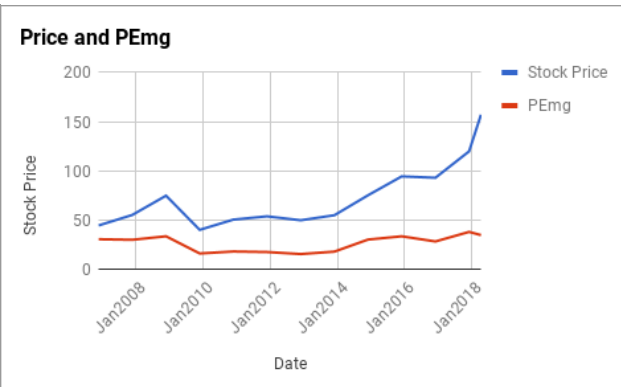
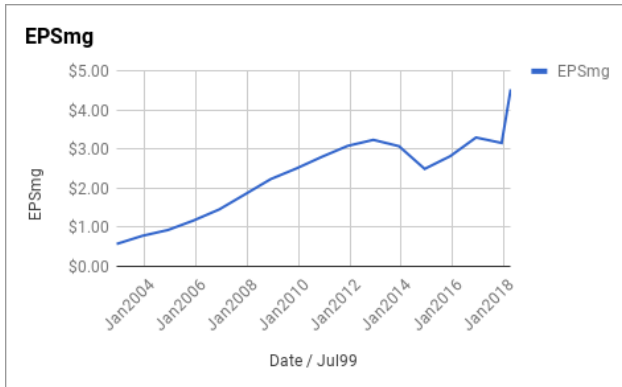
Net Current Asset Value (NCAV)	-\$11.12
Graham Number	\$65.12
PEmg	34.61
Current Ratio	2.29
PB Ratio	6.00
Current Dividend	\$1.75
Dividend Yield	1.11%
Number of Consecutive Years of Dividend Growth	8

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.08	Next Fiscal Year Estimate	\$4.54
Dec2017	\$2.68	Dec2017	\$3.16
Dec2016	\$4.35	Dec2016	\$3.30
Dec2015	\$3.78	Dec2015	\$2.83
Dec2014	\$1.34	Dec2014	\$2.50
Dec2013	\$2.63	Dec2013	\$3.08
Dec2012	\$3.39	Dec2012	\$3.24
Dec2011	\$3.45	Dec2011	\$3.09
Dec2010	\$3.19	Dec2010	\$2.81
Dec2009	\$2.77	Dec2009	\$2.51
Dec2008	\$2.78	Dec2008	\$2.24
Dec2007	\$2.44	Dec2007	\$1.85
Dec2006	\$1.89	Dec2006	\$1.46
Dec2005	\$1.57	Dec2005	\$1.18
Dec2004	\$1.08	Dec2004	\$0.93
Dec2003	\$1.07	Dec2003	\$0.78
Dec2002	\$0.81	Dec2002	\$0.58
Dec2001	\$0.67	<b>Balance Sheet Information 12/1/2017</b>	
Dec2000	\$0.55	Total Current Assets	\$7,993,000,000
Dec1999	\$0.05	Total Current Liabilities	\$3,485,000,000
Dec1998	\$0.15	Long-Term Debt	\$6,590,000,000
		Total Assets	\$22,197,000,000
		Intangible Assets	\$10,645,000,000
		Total Liabilities	\$12,231,000,000
		Shares Outstanding (Diluted Average)	381,000,000





**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**
- [Stryker Corporation Valuation – January 2016 Update \\$SYK](#)
  - [Stryker Corporation Analysis – October 2015 Update \\$SYK](#)
  - [Stryker Corporation Analysis – July 2015 Update \\$SYK](#)
  - [24 Companies in the Spotlight This Week – 3/28/15](#)
  - [Stryker Corporation Quarterly Valuation – March 2015 \\$SYK](#)

- Other ModernGraham posts about related companies**
- [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](#)
  - [Zimmer Biomet Holdings Inc Valuation – March 2018 \\$ZBH](#)
  - [Henry Schein Inc Valuation – March 2018 \\$HSIC](#)
  - [Medtronic PLC Valuation – March 2018 \\$MDT](#)