

# ModernGraham Valuation

Company Name:

Waters Corporation

Company Ticker WAT

Date of Analysis

4/18/2018



## 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	\$16,333,886,912	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	7.04	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	21.67%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	41.00	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.56	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	7.04	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.52	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		Pass
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.12
MG Growth Estimate	0.34%
<b>MG Value</b>	<b>\$47.00</b>
MG Value based on 3% Growth	\$74.29
MG Value based on 0% Growth	\$43.55
Market Implied Growth Rate	16.25%

### MG Opinion

Current Price	\$210.05
% of Intrinsic Value	446.87%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$14.66
Graham Number	\$71.33
PEmg	41.00
Current Ratio	7.04
PB Ratio	7.56
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### 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	\$8.05	Next Fiscal Year Estimate	\$5.12
Dec2017	\$0.25	Dec2017	\$3.95
Dec2016	\$6.41	Dec2016	\$5.70
Dec2015	\$5.65	Dec2015	\$5.28
Dec2014	\$5.07	Dec2014	\$5.01
Dec2013	\$5.20	Dec2013	\$4.82
Dec2012	\$5.19	Dec2012	\$4.45
Dec2011	\$4.69	Dec2011	\$3.92
Dec2010	\$4.06	Dec2010	\$3.38
Dec2009	\$3.34	Dec2009	\$2.89
Dec2008	\$3.21	Dec2008	\$2.55
Dec2007	\$2.62	Dec2007	\$2.12
Dec2006	\$2.13	Dec2006	\$1.79
Dec2005	\$1.74	Dec2005	\$1.53
Dec2004	\$1.82	Dec2004	\$1.36
Dec2003	\$1.34	Dec2003	\$1.11
Dec2002	\$1.09	Dec2002	\$0.96
Dec2001	\$0.83	<b>Balance Sheet Information 12/1/2017</b>	
Dec2000	\$1.06	Total Current Assets	\$4,270,134,000
Dec1999	\$0.92	Total Current Liabilities	\$606,157,000
Dec1998	\$0.57	Long-Term Debt	\$1,897,501,000
		Total Assets	\$5,324,354,000
		Intangible Assets	\$588,214,000
		Total Liabilities	\$3,090,566,000
		Shares Outstanding (Diluted Average)	80,436,000





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**

- [Waters Corporation Valuation – November 2016 \\$WAT](#)
- [Waters Corporation Valuation – May 2016 \\$WAT](#)
- [Waters Corporation Analysis – September 2015 Update \\$WAT](#)
- [Waters Corporation Analysis – June 2015 Update \\$WAT](#)
- [18 Companies in the Spotlight This Week – 3/15/15](#)

**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](#)