ModernGraham Valuation

MG
ModernGraham

Agilent Technologies Inc

Company Name:

Company Ticker	A		
Date of Analysis		5/20/2018	

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	$20,506,289,918	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.32	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-8.51%	Fail
6. Moderate PEmg Ratio	PEmg < 20	46.79	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.55	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	3.32	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.57	Pass
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	**Yes**

Stage 2: Determination of Intrinsic Value

EPSmg	$1.37
MG Growth Estimate	-4.25%
MG Value	**$1.09**
MG Value based on 3% Growth	$19.93
MG Value based on 0% Growth	$11.68
Market Implied Growth Rate	19.14%

MG Opinion

Current Price	$64.32
% of Intrinsic Value	5923.25%
Opinion	**Overvalued**
MG Grade	**C-**

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	$1.09
Graham Number	$16.43
PEmg	46.79
Current Ratio	3.32
PB Ratio	4.55
Current Dividend	$0.53
Dividend Yield	0.82%
Number of Consecutive Years of Dividend Growth	2

EPS History		EPSmg History	
Next Fiscal Year Estimate	$0.80	Next Fiscal Year Estimate	$1.37
Oct2017	$2.10	Oct2017	$1.67
Oct2016	$1.40	Oct2016	$1.61
Oct2015	$1.20	Oct2015	$1.88
Oct2014	$1.62	Oct2014	$2.27
Oct2013	$2.13	Oct2013	$2.40
Oct2012	$3.27	Oct2012	$2.35
Oct2011	$2.85	Oct2011	$1.80
Oct2010	$1.94	Oct2010	$1.71
Oct2009	-$0.09	Oct2009	$1.83
Oct2008	$1.87	Oct2008	$2.68
Oct2007	$1.57	Oct2007	$2.46
Oct2006	$7.50	Oct2006	$2.10
Oct2005	$0.65	Oct2005	-$0.72
Oct2004	$0.75	Oct2004	-$1.19
Oct2003	-$4.35	Oct2003	-$1.65
Oct2002	-$2.22	Oct2002	-$0.09
Oct2001	$0.38	**Balance Sheet Information**	**4/1/2018**
Oct2000	$1.66	Total Current Assets	$4,525,000,000
Oct1999	$1.35	Total Current Liabilities	$1,365,000,000
Oct1998	$0.56	Long-Term Debt	$1,800,000,000
		Total Assets	$8,784,000,000
		Intangible Assets	$2,932,000,000
		Total Liabilities	$4,171,000,000
		Shares Outstanding (Diluted Average)	326,000,000

MG Value and Stock Price

EPSmg

Price and PEmg

Graham Number and Stock Price

Dividend History

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	Agilent Technologies Inc Valuation – February 2017 $A
	Agilent Technologies Inc Valuation – August 2016 $A
	Agilent Technologies Inc Valuation – February 2016
	Agilent Technologies Inc. Valuation – October 2015 Update $A
	Agilent Technologies Inc. Analysis – July 2015 Update $A
Other ModernGraham posts about related companies	Cooper Companies Inc Valuation – May 2018 $COO
	Edwards Lifesciences Corp Valuation – May 2018 $EW
	Baxter International Inc Valuation – May 2018 $BAX
	Boston Scientific Corp Valuation – May 2018 $BSX
	Centene Corp Valuation – May 2018 $CNC
	Abbott Laboratories Valuation – May 2018 $ABT
	Becton Dickinson and Co Valuation – May 2018 $BDX
	IQVIA Holdings Inc Valuation – Initial Coverage May 2018 $IQV
	Thermo Fisher Scientific Inc Valuation – April 2018 $TMO
	Illumina Inc Valuation – April 2018 $ILMN