

# ModernGraham Valuation

Company Name:

Fortive Corp

Company Ticker

FTV

Date of Analysis

6/6/2018



## 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	\$26,110,535,006	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.11	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	29633.33%	Pass
5. Earnings Growth	PEmg < 20	25.71	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	6.46	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	2.11	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.47	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	\$2.92
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$112.27</b>
MG Value based on 3% Growth	\$42.28
MG Value based on 0% Growth	\$24.79
Market Implied Growth Rate	8.60%

### MG Opinion

Current Price	\$74.96
% of Intrinsic Value	66.77%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

## Stage 3: Information for Further Research

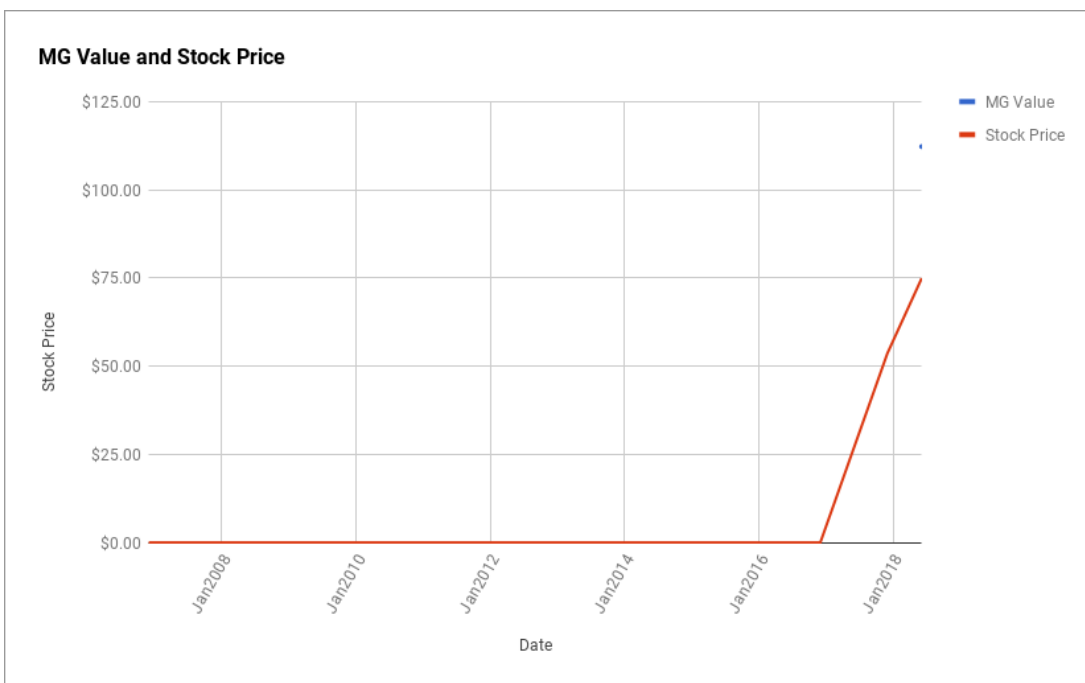
Net Current Asset Value (NCAV)	-\$9.78
Graham Number	\$29.09
PEmg	25.71
Current Ratio	2.11
PB Ratio	6.46
Current Dividend	\$0.28
Dividend Yield	0.37%
Number of Consecutive Years of Dividend Growth	2

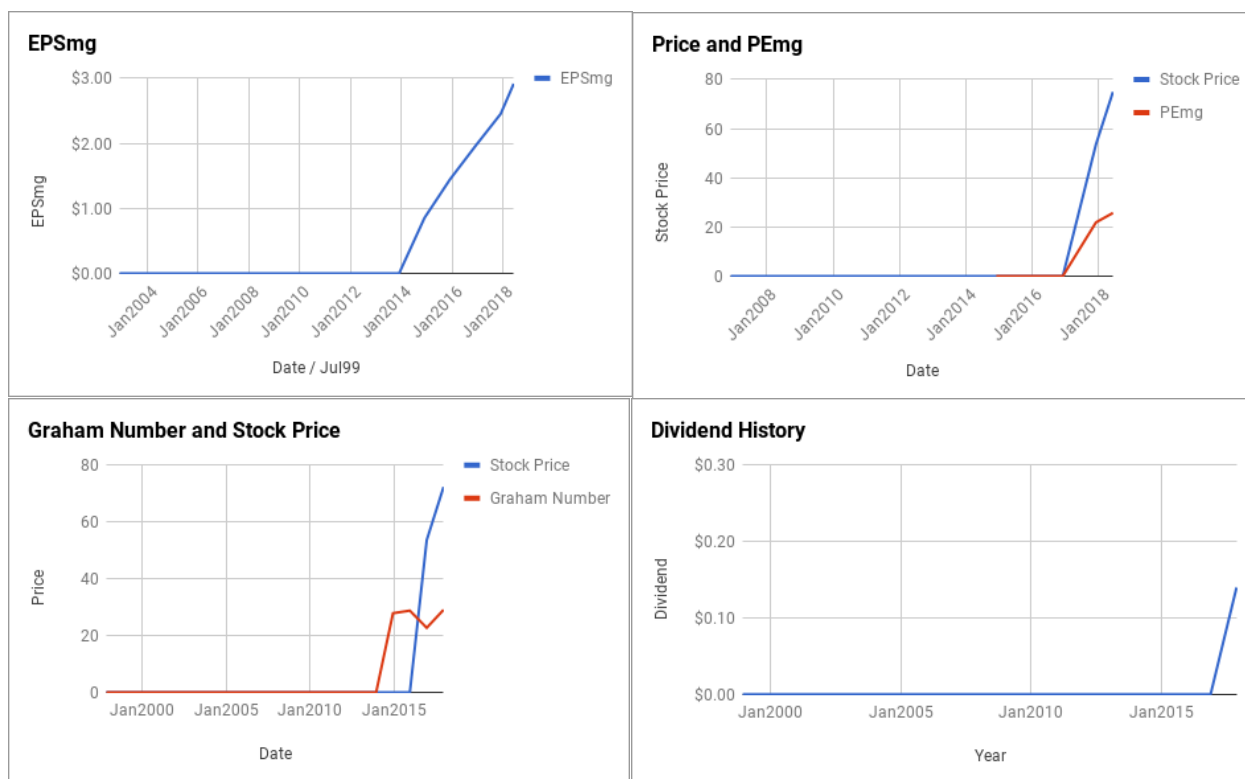
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	\$2.92
Dec2017	\$2.96	Dec2017	\$2.45
Dec2016	\$2.51	Dec2016	\$1.96
Dec2015	\$2.28	Dec2015	\$1.44
Dec2014	\$2.56	Dec2014	\$0.85
Dec2013	\$0.00	Dec2013	\$0.00
Dec2012	\$0.00	Dec2012	\$0.00
Dec2011	\$0.00	Dec2011	\$0.00
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	<b>Balance Sheet Information 3/1/2018</b>	
Dec2000	\$0.00	Total Current Assets	\$3,079,700,000
Dec1999	\$0.00	Total Current Liabilities	\$1,461,400,000
Dec1998	\$0.00	Long-Term Debt	\$3,996,900,000
		Total Assets	\$10,655,400,000
		Intangible Assets	\$6,385,400,000
		Total Liabilities	\$6,545,700,000
		Shares Outstanding (Diluted Average)	354,400,000





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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posts about the  
company

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[Fortive Corp Valuation – Initial Coverage \\$FTV](#)

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