

ModernGraham Valuation



Pentair plc. Ordinary Share

Company Name:

Company Ticker PNR

Date of Analysis

6/12/2018

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	\$8,007,764,100	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.65	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	196.27%	Pass
6. Moderate PEmg Ratio	PEmg < 20	19.12	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.70	Pass

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	2.65	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.58	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.31
MG Growth Estimate	15.00%
MG Value	\$88.91
MG Value based on 3% Growth	\$33.49
MG Value based on 0% Growth	\$19.63
Market Implied Growth Rate	5.31%

MG Opinion

Current Price	\$44.16
% of Intrinsic Value	49.67%
Opinion	Undervalued
MG Grade	B+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$10.63
Graham Number	\$37.69
PEmg	19.12
Current Ratio	2.65
PB Ratio	1.70
Current Dividend	\$1.38
Dividend Yield	3.13%
Number of Consecutive Years of Dividend Growth	12

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	\$2.26	Next Fiscal Year Estimate	\$2.31
Dec2017	\$3.63	Dec2017	\$2.21
Dec2016	\$2.85	Dec2016	\$1.35
Dec2015	-\$0.42	Dec2015	\$0.56
Dec2014	\$1.11	Dec2014	\$1.01
Dec2013	\$2.62	Dec2013	\$0.96
Dec2012	-\$0.84	Dec2012	\$0.38
Dec2011	-\$0.08	Dec2011	\$1.15
Dec2010	\$1.86	Dec2010	\$1.80
Dec2009	\$1.17	Dec2009	\$1.79
Dec2008	\$2.31	Dec2008	\$2.05
Dec2007	\$2.11	Dec2007	\$1.86
Dec2006	\$1.81	Dec2006	\$1.70
Dec2005	\$1.80	Dec2005	\$1.53
Dec2004	\$1.68	Dec2004	\$1.28
Dec2003	\$1.42	Dec2003	\$1.04
Dec2002	\$1.31	Dec2002	\$0.88
Dec2001	\$0.33	Balance Sheet Information 3/1/2018	
Dec2000	\$0.57	Total Current Assets	\$2,719,000,000
Dec1999	\$1.17	Total Current Liabilities	\$1,027,500,000
Dec1998	\$1.23	Long-Term Debt	\$2,673,100,000
		Total Assets	\$9,368,100,000
		Intangible Assets	\$5,916,600,000
		Total Liabilities	\$4,648,400,000
		Shares Outstanding (Diluted Average)	181,500,000





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

- [Pentair PLC Valuation – March 2017 \\$PNR](#)
- [Pentair PLC Valuation – November 2015 Update \\$PNR](#)
- [26 Companies in the Spotlight This Week – 11/22/14](#)
- [Pentair Limited Annual Valuation – 2014 \\$PNR](#)

Other ModernGraham posts about related companies

- [Snap-on Inc Valuation – May 2018 \\$SNA](#)
- [Paccar Inc Valuation – May 2018 \\$PCAR](#)
- [W.W. Grainger Inc Valuation – May 2018 \\$GWW](#)
- [Allegion PLC Valuation – May 2018 \\$ALLE](#)
- [Xylem Inc Valuation – May 2018 \\$XYL](#)
- [Arconic Inc Valuation – April 2018 \\$ARNC](#)
- [Rockwell Automation Inc Valuation – April 2018 \\$ROK](#)
- [Roper Technologies Inc Valuation – April 2018 \\$ROP](#)
- [Eaton Corp PLC Valuation – March 2018 \\$ETN](#)
- [Fastenal Co Valuation – March 2018 \\$FAST](#)