

ModernGraham Valuation

Company Name:

iRobot Corporation

Company Ticker IRBT

Date of Analysis

7/28/2018



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	\$2,239,045,575	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.89	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	114.62%	Pass
5. Earnings Growth	PEmg < 20	45.19	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.96	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	2.89	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.77
MG Growth Estimate	10.46%
MG Value	\$52.18
MG Value based on 3% Growth	\$25.72
MG Value based on 0% Growth	\$15.08
Market Implied Growth Rate	18.34%

MG Opinion

Current Price	\$80.16
% of Intrinsic Value	153.63%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

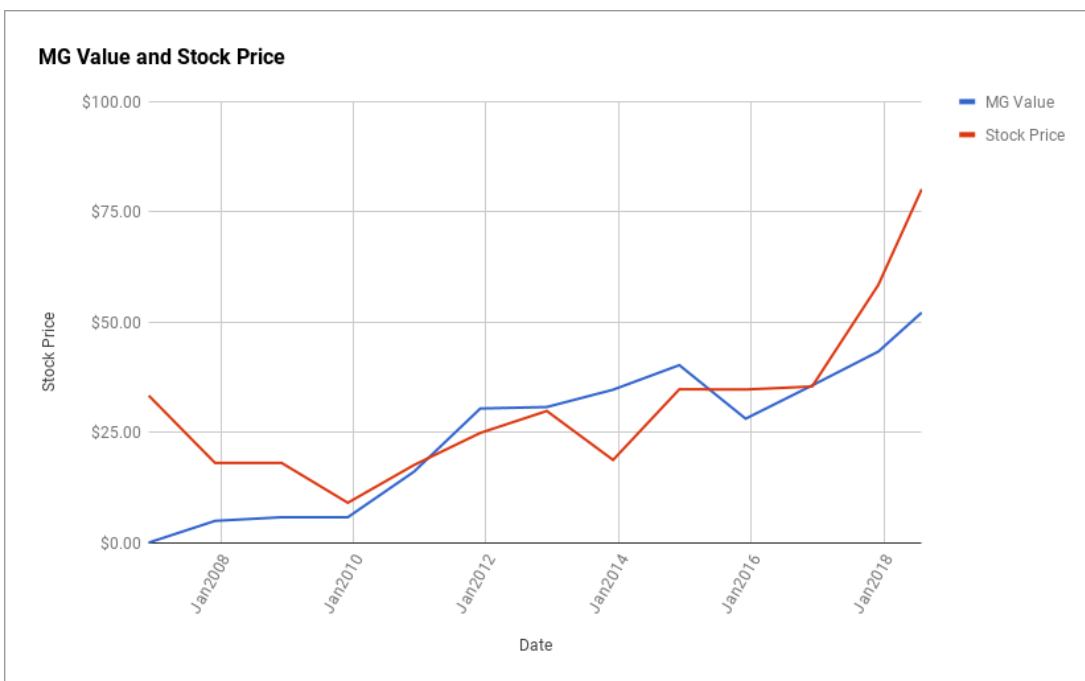
Net Current Asset Value (NCAV)	\$7.40
Graham Number	\$28.73
PEmg	45.19
Current Ratio	2.89
PB Ratio	4.96
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

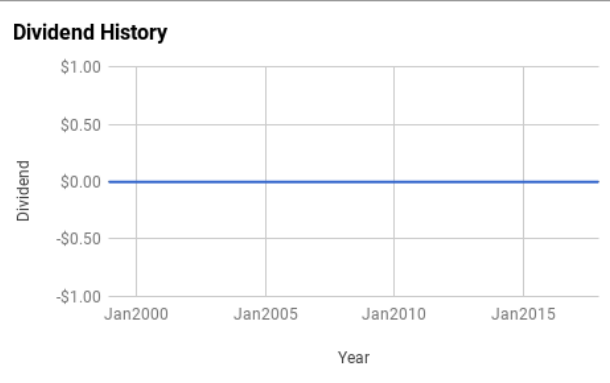
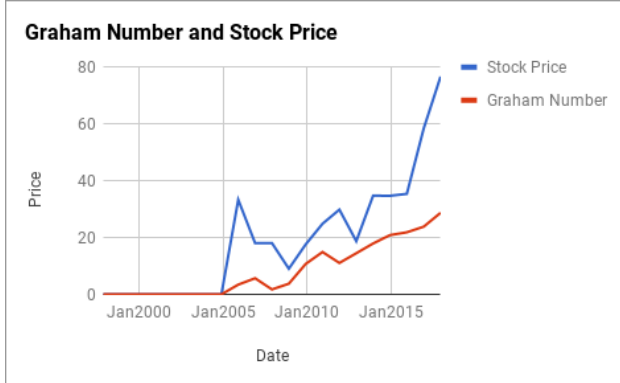
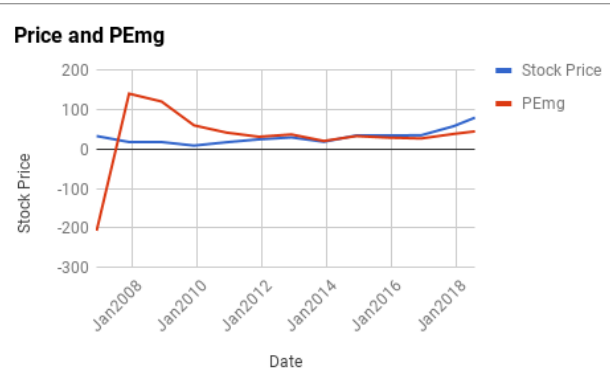
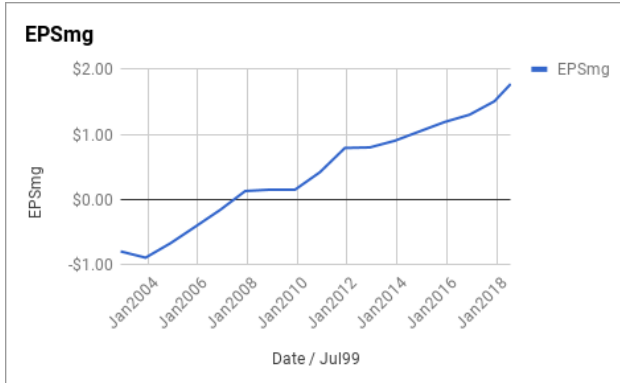
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$2.18	Dec2017	\$1.77
Dec2016	\$1.77	Dec2016	\$1.51
Dec2015	\$1.48	Dec2015	\$1.30
Dec2014	\$1.47	Dec2014	\$1.19
Dec2013	\$1.25	Dec2013	\$1.05
Dec2012	\$0.94	Dec2012	\$0.90
Dec2011	\$0.61	Dec2011	\$0.80
Dec2010	\$1.44	Dec2010	\$0.79
Dec2009	\$0.96	Dec2009	\$0.42
Dec2008	\$0.13	Dec2008	\$0.15
Dec2007	\$0.03	Dec2007	\$0.15
Dec2006	\$0.36	Dec2006	\$0.13
Dec2005	\$0.14	Dec2005	-\$0.16
Dec2004	\$0.11	Dec2004	-\$0.42
Dec2003	\$0.01	Dec2003	-\$0.67
Dec2002	-\$0.79	Dec2002	-\$0.90
Dec2001	-\$2.00	Dec2001	-\$0.80
Dec2000	-\$0.50	Balance Sheet Information	
Dec1999	\$0.00	6/1/2018	
Dec1998	\$0.00	Total Current Assets	
		\$348,446,000	
		Total Current Liabilities	
		\$120,723,000	
		Long-Term Debt	
		\$0	
		Total Assets	
		\$596,781,000	
		Intangible Assets	
		\$152,398,000	
		Total Liabilities	
		\$138,740,000	
		Shares Outstanding (Diluted Average)	
		28,337,000	





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.

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