

ModernGraham Valuation

Company Name:

Company Ticker KEYS

Date of Analysis

8/9/2018

Keysight
Technologies Inc



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	\$11,179,503,421	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.30	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	16300.00%	Pass
5. Earnings Growth	PEmg < 20	31.72	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.54	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	2.30	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.45	Fail
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	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.90
MG Growth Estimate	15.00%
MG Value	\$73.12
MG Value based on 3% Growth	\$27.54
MG Value based on 0% Growth	\$16.14
Market Implied Growth Rate	11.61%

MG Opinion

Current Price	\$60.25
% of Intrinsic Value	82.39%
Opinion	Fairly Valued
MG Grade	D+

Stage 3: Information for Further Research

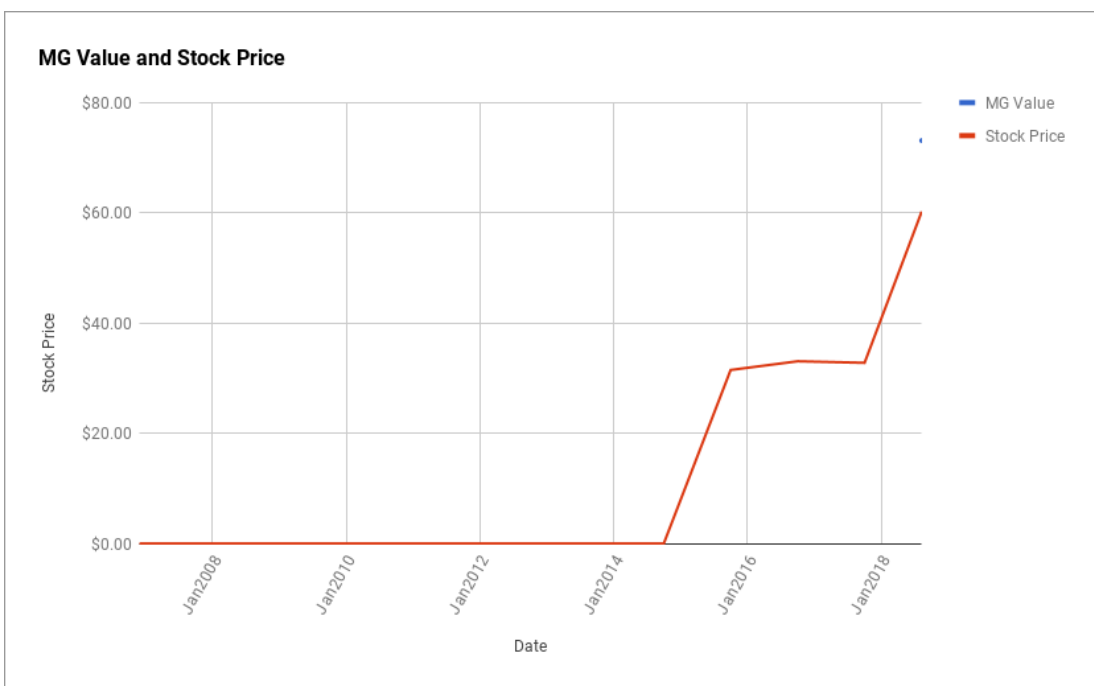
Net Current Asset Value (NCAV)	-\$6.37
Graham Number	\$25.97
PEmg	31.72
Current Ratio	2.30
PB Ratio	4.54
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$2.41		\$1.90
Oct2017	\$0.56	Oct2017	\$1.62
Oct2016	\$1.95	Oct2016	\$1.92
Oct2015	\$3.00	Oct2015	\$1.63
Oct2014	\$2.35	Oct2014	\$0.78
Oct2013	\$0.00	Oct2013	\$0.00
Oct2012	\$0.00	Oct2012	\$0.00
Oct2011	\$0.00	Oct2011	\$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	Balance Sheet Information 4/1/2018	
Dec2000	\$0.00	Total Current Assets	\$2,189,000,000
Dec1999	\$0.00	Total Current Liabilities	\$953,000,000
Dec1998	\$0.00	Long-Term Debt	\$1,789,000,000
		Total Assets	\$5,923,000,000
		Intangible Assets	\$2,645,000,000
		Total Liabilities	\$3,400,000,000
		Shares Outstanding (Diluted Average)	190,000,000





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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