

ModernGraham Valuation

Company Name:

Ingersoll-Rand PLC

Company Ticker IR

Date of Analysis

1/2/2019



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	\$22,177,823,380	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.41	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	281.26%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	18.45	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.07	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	1.41	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.13	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.89
MG Growth Estimate	13.21%
MG Value	\$170.93
MG Value based on 3% Growth	\$70.96
MG Value based on 0% Growth	\$41.60
Market Implied Growth Rate	4.97%

MG Opinion

Current Price	\$90.29
% of Intrinsic Value	52.82%
Opinion	Undervalued
MG Grade	C-

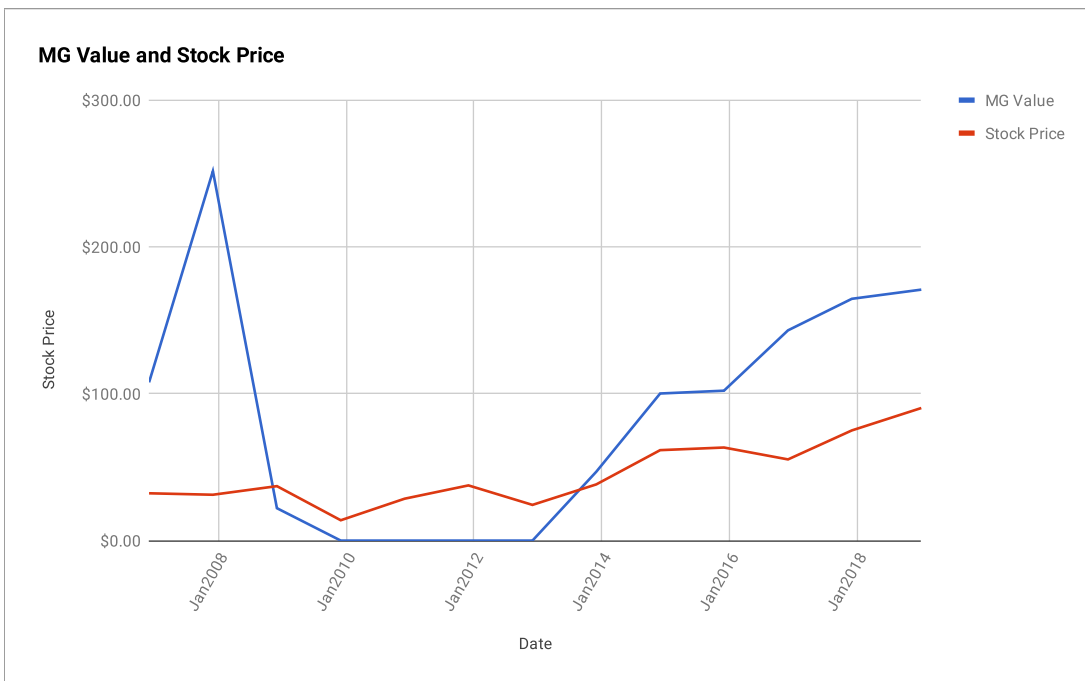
Stage 3: Information for Further Research

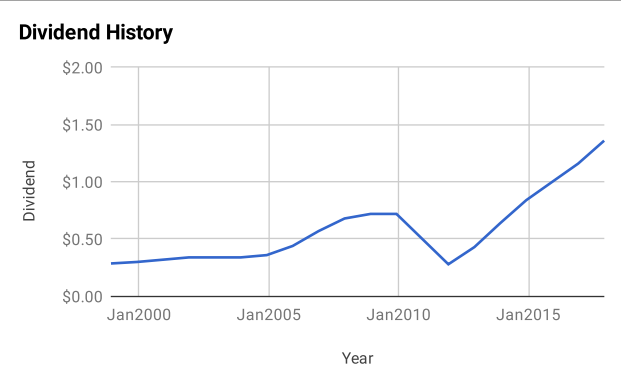
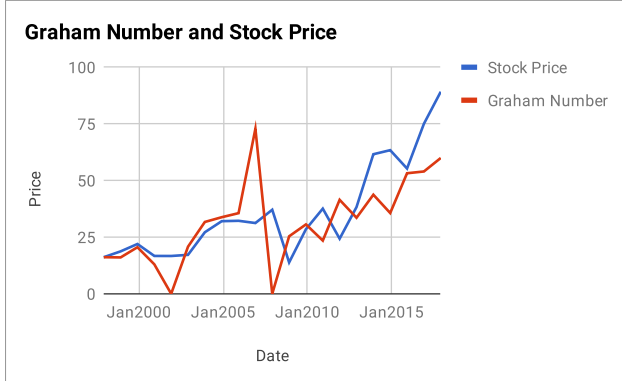
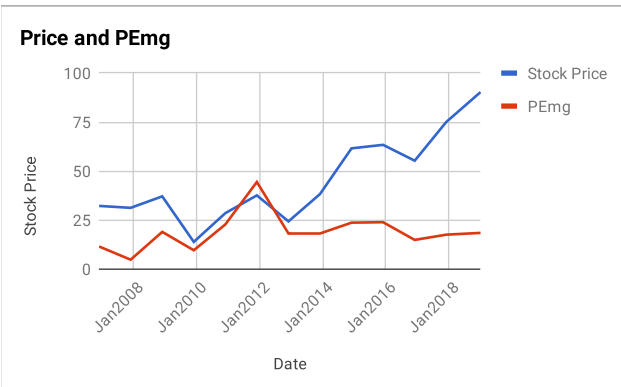
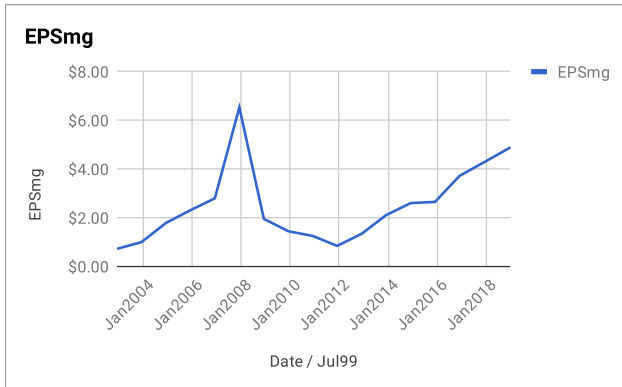
Net Current Asset Value (NCAV)	-\$19.55
Graham Number	\$59.94
PEmg	18.45
Current Ratio	1.41
PB Ratio	3.07
Current Dividend	\$1.70
Dividend Yield	1.88%
Number of Consecutive Years of Dividend Growth	7

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	\$5.58	Next Fiscal Year Estimate	\$4.89
Dec2017	\$5.05	Dec2017	\$4.28
Dec2016	\$5.65	Dec2016	\$3.72
Dec2015	\$2.48	Dec2015	\$2.65
Dec2014	\$3.40	Dec2014	\$2.60
Dec2013	\$2.07	Dec2013	\$2.11
Dec2012	\$3.28	Dec2012	\$1.34
Dec2011	\$1.01	Dec2011	\$0.85
Dec2010	\$1.89	Dec2010	\$1.25
Dec2009	\$1.37	Dec2009	\$1.45
Dec2008	-\$8.73	Dec2008	\$1.95
Dec2007	\$13.43	Dec2007	\$6.54
Dec2006	\$3.20	Dec2006	\$2.80
Dec2005	\$3.09	Dec2005	\$2.31
Dec2004	\$3.47	Dec2004	\$1.79
Dec2003	\$1.87	Dec2003	\$1.00
Dec2002	-\$0.52	Dec2002	\$0.72
Dec2001	\$0.74	Balance Sheet Information 9/1/2018	
Dec2000	\$2.06	Total Current Assets	\$6,082,600,000
Dec1999	\$1.38	Total Current Liabilities	\$4,324,000,000
Dec1998	\$1.54	Long-Term Debt	\$3,739,800,000
		Total Assets	\$18,304,500,000
		Intangible Assets	\$9,668,700,000
		Total Liabilities	\$10,961,300,000
		Shares Outstanding (Diluted Average)	249,500,000





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**
- [Ingersoll-Rand PLC Valuation – February 2018 \\$IR](#)
 - [Ingersoll-Rand PLC Valuation – May 2016 \\$IR](#)
 - [34 Companies in the Spotlight This Week – 2/7/15](#)
 - [Ingersoll-Rand Inc. Annual Valuation – 2015 \\$IR](#)
 - [14 Companies in the Spotlight This Week – 1/18/14](#)

- Other ModernGraham posts about related companies**
- [General Electric Co Valuation – November 2018 \\$GE](#)
 - [3M Co Valuation – November 2018 \\$MMM](#)
 - [ITT Inc Valuation – July 2018 \\$ITT](#)
 - [Illinois Tool Works Inc Valuation – June 2018 \\$ITW](#)
 - [Honeywell International Inc Valuation – June 2018 \\$HON](#)
 - [General Electric Co Valuation – February 2018 \\$GE](#)
 - [3M Company Valuation – February 2018 \\$MMM](#)
 - [Raven Industries Inc Valuation – September 2017 \\$RAVN](#)
 - [Illinois Tool Works Inc Valuation – August 2017 \\$ITW](#)
 - [Honeywell International Inc Valuation – July 2017 \\$HON](#)