

# ModernGraham Valuation

Company Name:

Gartner Inc

Company Ticker IT

Date of Analysis

1/23/2019



## 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	\$11,868,808,106	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.66	Fail
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	23.44%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	92.22	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	12.78	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	0.66	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-2.57	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		Fail

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.42
MG Growth Estimate	-3.11%
<b>MG Value</b>	<b>\$3.22</b>
MG Value based on 3% Growth	\$20.53
MG Value based on 0% Growth	\$12.04
Market Implied Growth Rate	41.86%

### MG Opinion

Current Price	\$130.58
% of Intrinsic Value	4051.52%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>F</b>

## Stage 3: Information for Further Research

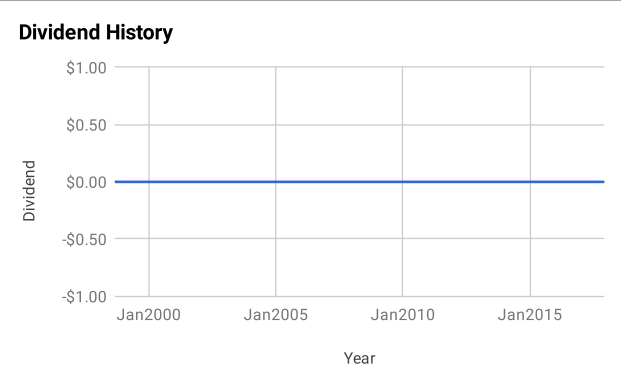
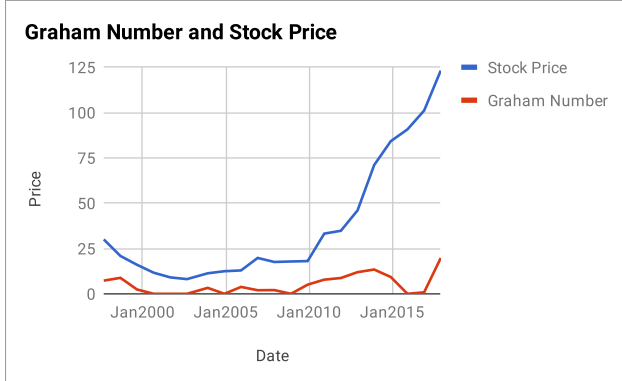
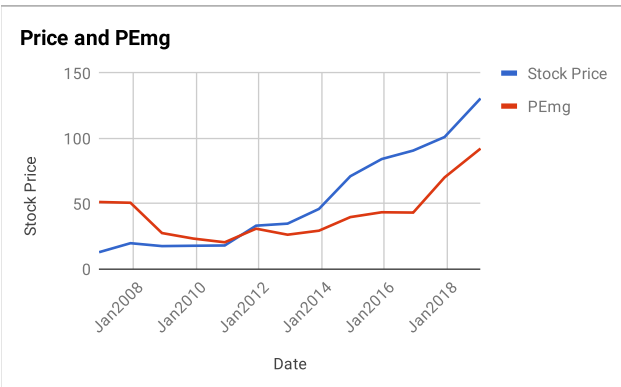
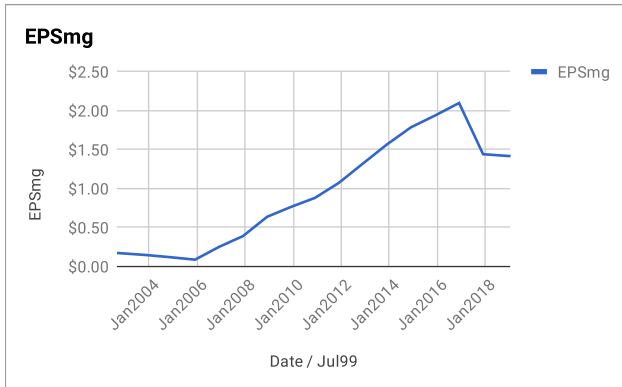
Net Current Asset Value (NCAV)	-\$37.63
Graham Number	\$19.74
PEmg	92.22
Current Ratio	0.66
PB Ratio	12.78
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.60	Next Fiscal Year Estimate	\$1.42
Dec2017	\$0.04	Dec2017	\$1.44
Dec2016	\$2.31	Dec2016	\$2.10
Dec2015	\$2.06	Dec2015	\$1.94
Dec2014	\$2.03	Dec2014	\$1.79
Dec2013	\$1.93	Dec2013	\$1.57
Dec2012	\$1.73	Dec2012	\$1.32
Dec2011	\$1.39	Dec2011	\$1.07
Dec2010	\$0.96	Dec2010	\$0.88
Dec2009	\$0.85	Dec2009	\$0.76
Dec2008	\$1.05	Dec2008	\$0.64
Dec2007	\$0.68	Dec2007	\$0.39
Dec2006	\$0.50	Dec2006	\$0.25
Dec2005	-\$0.02	Dec2005	\$0.09
Dec2004	\$0.13	Dec2004	\$0.12
Dec2003	\$0.25	Dec2003	\$0.15
Sep2002	\$0.46	Sep2002	\$0.17
Sep2001	-\$0.78	<b>Balance Sheet Information 9/1/2018</b>	
Sep2000	\$0.30	Total Current Assets	\$1,535,340,000
Sep1999	\$0.84	Total Current Liabilities	\$2,343,596,000
Sep1998	\$0.84	Long-Term Debt	\$2,077,466,000
		Total Assets	\$5,944,817,000
		Intangible Assets	\$3,996,585,000
		Total Liabilities	\$5,003,269,000
		Shares Outstanding (Diluted Average)	92,148,000





**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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**Other ModernGraham posts about related companies** [Xerox Corp Valuation – January 2019 \\$XRX](#)  
[Cognizant Technology Solutions Corp Valuation – January 2019 \\$CTSH](#)  
[International Business Machines Corp Valuation – November 2018 \\$IBM](#)  
[DXC Technology Corp Valuation – November 2018 \\$DXC](#)  
[Sykes Enterprises Inc Valuation – October 2018 \\$SYKE](#)  
[Computer Programs and Systems Inc Valuation – August 2018 \\$CPSI](#)  
[Science Applications International Corp Valuation – July 2018 \\$SAIC](#)  
[Axiom Corp Valuation – July 2018 \\$ACXM](#)  
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