

# ModernGraham Valuation

Company Name:

Medtronic PLC

Company Ticker MDT

Date of Analysis

1/5/2019



## 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	\$118,362,552,161	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.56	Pass
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	4.53%	Fail
5. Earnings Growth	PEmg < 20	28.33	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.41	Pass
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	2.56	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.79	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.11
MG Growth Estimate	0.94%
<b>MG Value</b>	<b>\$32.29</b>
MG Value based on 3% Growth	\$45.11
MG Value based on 0% Growth	\$26.45
Market Implied Growth Rate	9.91%

### MG Opinion

Current Price	\$88.13
% of Intrinsic Value	272.93%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>B</b>

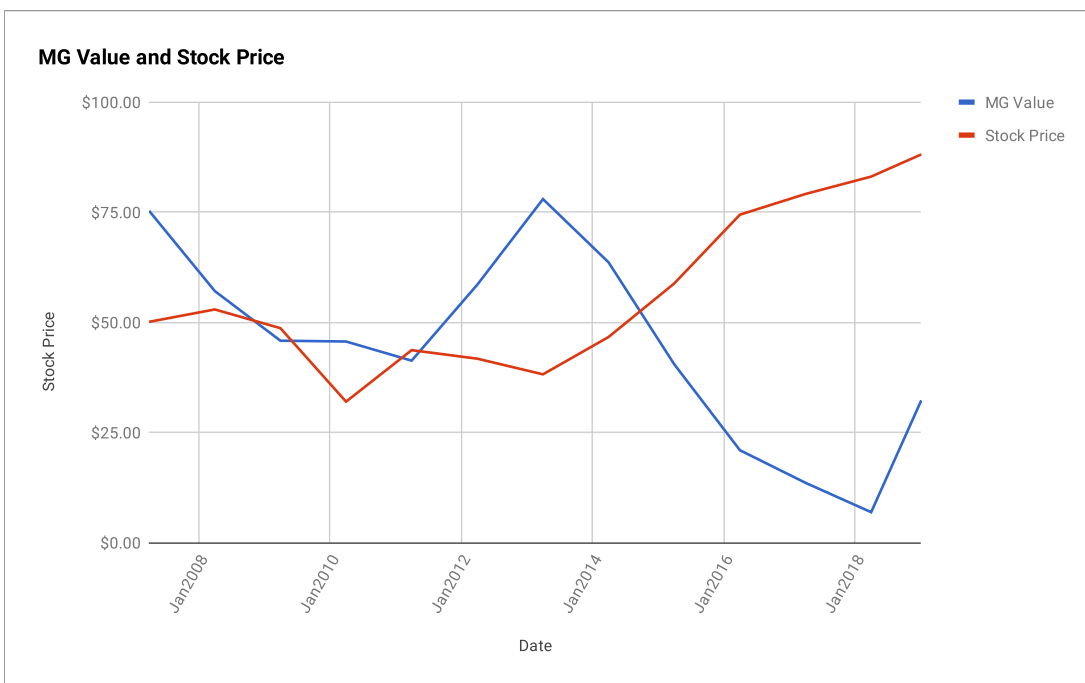
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$12.33
Graham Number	\$60.27
PEmg	28.33
Current Ratio	2.56
PB Ratio	2.41
Current Dividend	\$1.84
Dividend Yield	2.09%
Number of Consecutive Years of Dividend Growth	20

### 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		Next Fiscal Year Estimate	\$3.11
Apr2018	\$2.27	Apr2018	\$2.55
Apr2017	\$2.89	Apr2017	\$2.73
Apr2016	\$2.48	Apr2016	\$2.75
Apr2015	\$2.41	Apr2015	\$2.93
Apr2014	\$3.02	Apr2014	\$3.15
Apr2013	\$3.37	Apr2013	\$3.10
Apr2012	\$3.41	Apr2012	\$2.83
Apr2011	\$2.86	Apr2011	\$2.49
Apr2010	\$2.79	Apr2010	\$2.27
Apr2009	\$1.84	Apr2009	\$1.99
Apr2008	\$1.95	Apr2008	\$2.01
Apr2007	\$2.41	Apr2007	\$1.96
Apr2006	\$2.09	Apr2006	\$1.64
Apr2005	\$1.48	Apr2005	\$1.34
Apr2004	\$1.60	Apr2004	\$1.21
Apr2003	\$1.30	Apr2003	\$0.96
Apr2002	\$0.80	<b>Balance Sheet Information 10/1/2018</b>	
Apr2001	\$0.85	Total Current Assets	\$21,653,000,000
Apr2000	\$0.89	Total Current Liabilities	\$8,463,000,000
Apr1999	\$0.39	Long-Term Debt	\$23,663,000,000
		Total Assets	\$88,150,000,000
		Intangible Assets	\$59,424,000,000
		Total Liabilities	\$38,436,000,000
		Shares Outstanding (Diluted Average)	1,360,900,000





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

[Medtronic PLC Valuation – March 2018 \\$MDT](#)  
[Medtronic PLC Valuation – July 2016 \\$MDT](#)  
[Medtronic PLC Valuation – January 2016 Update \\$MDT](#)  
[Medtronic PLC Valuation – October 2015 Update \\$MDT](#)  
[Medtronic Inc. Analysis – July 2015 Update \\$MDT](#)

Other  
ModernGraham  
posts about related  
companies

[UnitedHealth Group Inc Valuation – November 2018 \\$UNH](#)  
[Luminex Corp Valuation – October 2018 \\$LMNX](#)  
[LHC Group Inc Valuation – September 2018 \\$LHCG](#)  
[Chartwell Retirement Residences Valuation – August 2018 \\$TSE:CSH.UN](#)  
[STERIS PLC Valuation – August 2018 \\$STE](#)  
[CryoLife Inc Valuation – August 2018 \\$CRY](#)  
[Charles River Laboratories International Inc Valuation – August 2018 \\$CRL](#)  
[Surmodics Inc Valuation – August 2018 \\$SRDX](#)  
[Conmed Corp Valuation – August 2018 \\$CNMD](#)  
[Invacare Corp Valuation – July 2018 \\$IVC](#)