

# ModernGraham Valuation

Seagate Technology  
PLC



Company Name:

Company Ticker STX

Date of Analysis

1/6/2019

## 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	\$10,915,705,965	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.42	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	6.16%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	10.48	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.03	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	1.42	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.21	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		Fail

Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.64
MG Growth Estimate	-3.76%
<b>MG Value</b>	<b>\$3.53</b>
MG Value based on 3% Growth	\$52.77
MG Value based on 0% Growth	\$30.93
Market Implied Growth Rate	0.99%

MG Opinion

Current Price	\$38.14
% of Intrinsic Value	1079.09%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information for Further Research

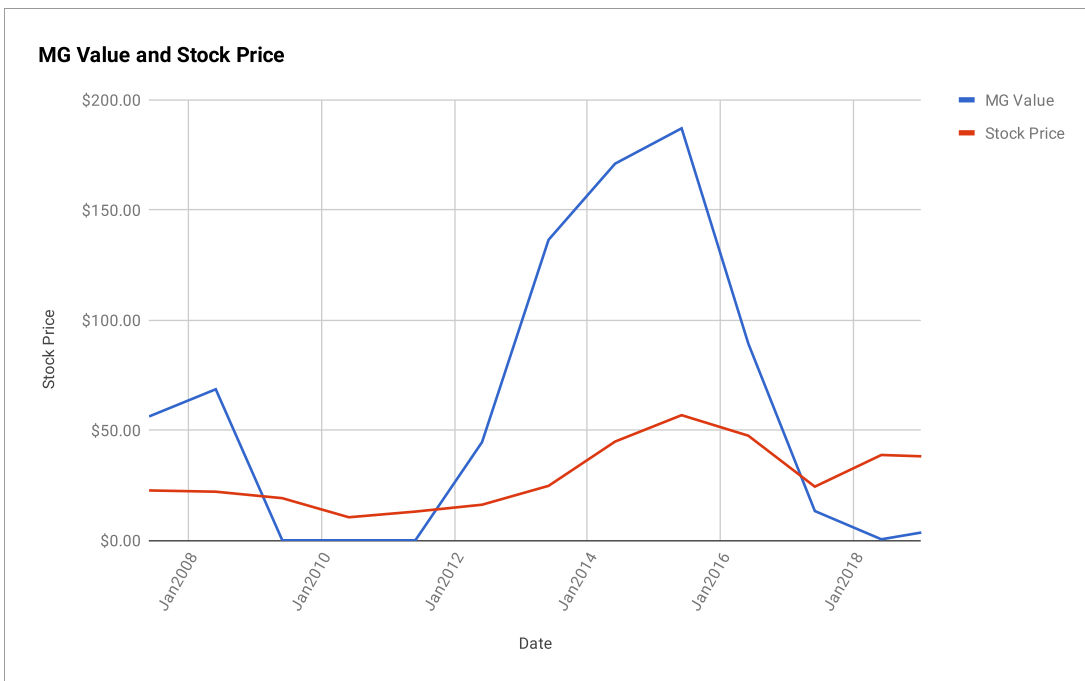
Net Current Asset Value (NCAV)	-\$10.99
Graham Number	\$24.89
PEmg	10.48
Current Ratio	1.42
PB Ratio	6.03
Current Dividend	\$2.52
Dividend Yield	6.61%
Number of Consecutive Years of Dividend Growth	8

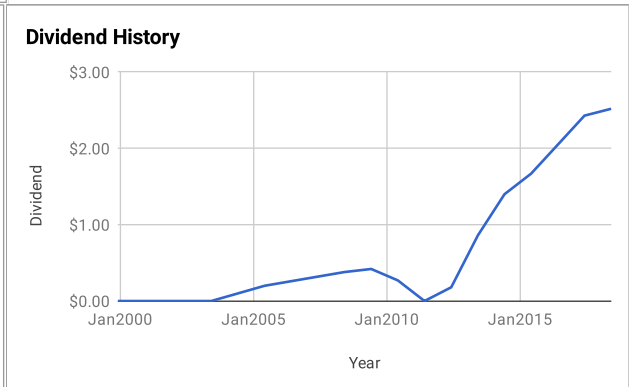
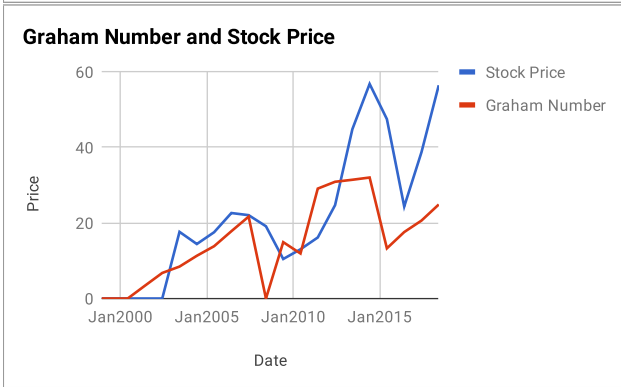
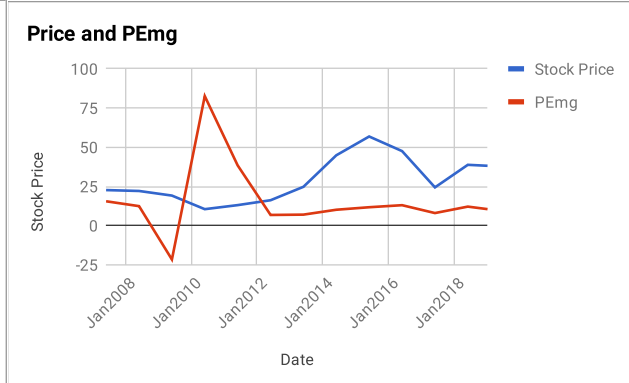
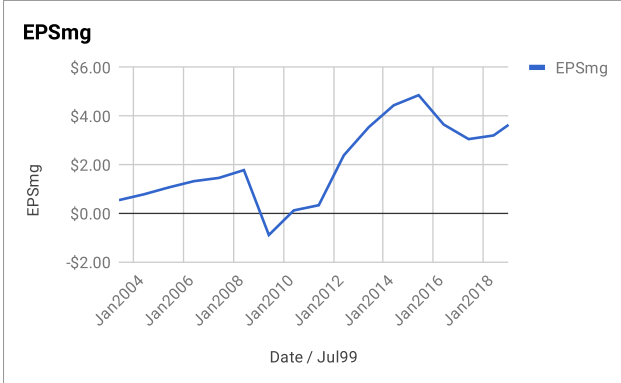
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.75	Next Fiscal Year Estimate	\$3.64
Jun2018	\$4.05	Jun2018	\$3.20
Jun2017	\$2.58	Jun2017	\$3.05
Jun2016	\$0.82	Jun2016	\$3.65
Jun2015	\$5.26	Jun2015	\$4.86
Jun2014	\$4.52	Jun2014	\$4.44
Jun2013	\$4.81	Jun2013	\$3.54
Jun2012	\$6.49	Jun2012	\$2.39
Jun2011	\$1.09	Jun2011	\$0.34
Jun2010	\$3.14	Jun2010	\$0.13
Jun2009	-\$6.40	Jun2009	-\$0.88
Jun2008	\$2.36	Jun2008	\$1.78
Jun2007	\$1.56	Jun2007	\$1.46
Jun2006	\$1.60	Jun2006	\$1.33
Jun2005	\$1.41	Jun2005	\$1.07
Jun2004	\$1.06	Jun2004	\$0.79
Jun2003	\$1.36	Jun2003	\$0.55
Jun2002	\$0.36	<b>Balance Sheet Information 9/1/2018</b>	
Jun2001	\$0.00	Total Current Assets	\$4,523,000,000
Jun2000	\$0.00	Total Current Liabilities	\$3,175,000,000
Dec1999	\$0.00	Long-Term Debt	\$4,322,000,000
		Total Assets	\$9,578,000,000
		Intangible Assets	\$1,406,000,000
		Total Liabilities	\$7,732,000,000
		Shares Outstanding (Diluted Average)	292,000,000





**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.

**Recommended Reading:**

- Other ModernGraham posts about the company**
- [Seagate Technology PLC Valuation – March 2018 \\$STX](#)
  - [10 Low PE Stock Picks for the Enterprising Investor – July 2017](#)
  - [10 Stocks for Using A Benjamin Graham Value Investing Strategy – March 2017](#)
  - [5 Undervalued Stocks for Value Investors with a High Beta – February 2017](#)
  - [10 Best Dividend Paying Stocks for the Enterprising Investor – February 2017](#)

- Other ModernGraham posts about related companies**
- [Corning Inc Valuation – January 2019 \\$GLW](#)
  - [HP Inc Valuation – December 2018 \\$HPQ](#)
  - [Intel Corp Valuation – November 2018 \\$INTC](#)
  - [Apple Inc Valuation – November 2018 \\$AAPL](#)
  - [Littelfuse Inc Valuation – September 2018 \\$LFUS](#)
  - [CTS Corporation Valuation – August 2018 \\$CTS](#)
  - [Kopin Corp Valuation – August 2018 \\$KOPN](#)
  - [Knowles Corp Valuation – August 2018 \\$KN](#)
  - [Cree Inc Valuation – August 2018 \\$CREE](#)
  - [Cray Inc Valuation – August 2018 \\$CRAY](#)