

ModernGraham Valuation

Company Name:

TE Connectivity Ltd

Company Ticker TEL

Date of Analysis

1/13/2019



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	\$26,914,447,325	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	124.33%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	13.42	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.54	Pass

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	1.70	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		Pass
	Score		

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.85
MG Growth Estimate	5.69%
MG Value	\$116.24
MG Value based on 3% Growth	\$84.78
MG Value based on 0% Growth	\$49.70
Market Implied Growth Rate	2.46%

MG Opinion

Current Price	\$78.46
% of Intrinsic Value	67.50%
Opinion	Undervalued
MG Grade	B+

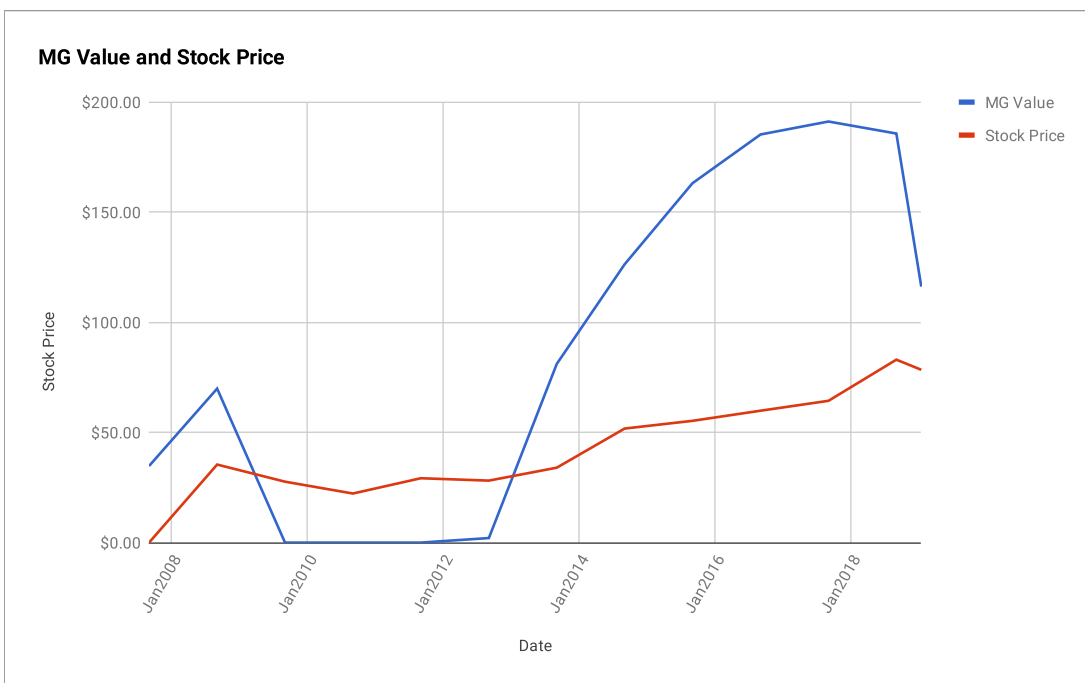
Stage 3: Information for Further Research

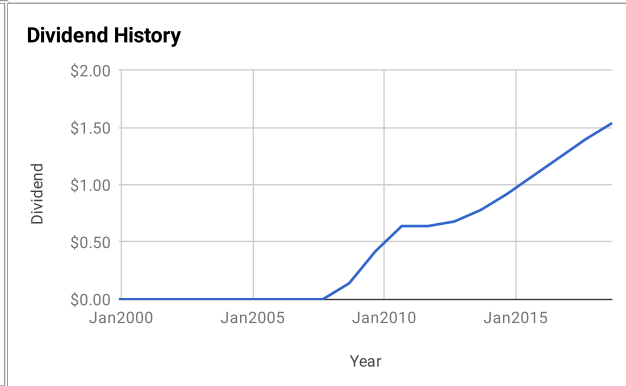
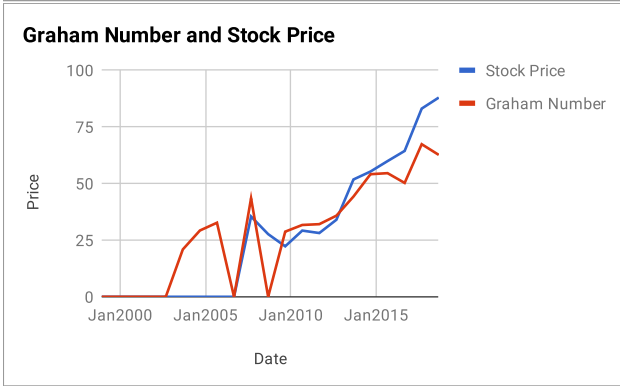
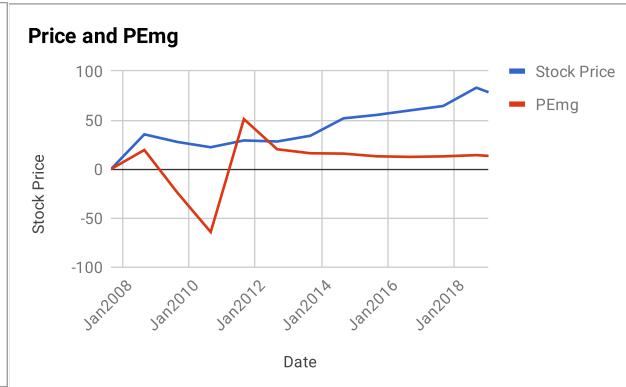
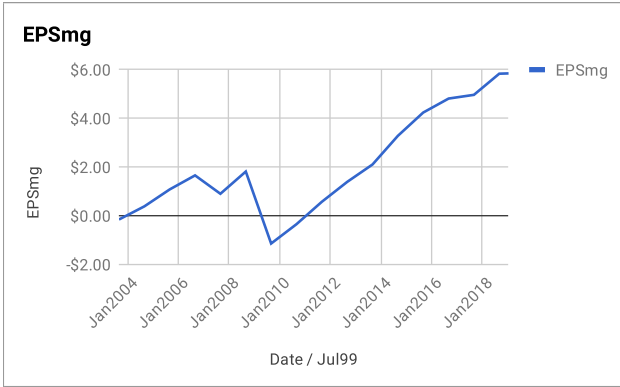
Net Current Asset Value (NCAV)	-\$9.59
Graham Number	\$62.63
PEmg	13.42
Current Ratio	1.41
PB Ratio	2.54
Current Dividend	\$1.68
Dividend Yield	2.14%
Number of Consecutive Years of Dividend Growth	8

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	\$5.55	Next Fiscal Year Estimate	\$5.85
Sep2018	\$7.27	Sep2018	\$5.83
Sep2017	\$4.70	Sep2017	\$4.97
Sep2016	\$5.44	Sep2016	\$4.81
Sep2015	\$5.89	Sep2015	\$4.24
Sep2014	\$4.27	Sep2014	\$3.28
Sep2013	\$3.02	Sep2013	\$2.11
Sep2012	\$2.59	Sep2012	\$1.39
Sep2011	\$2.81	Sep2011	\$0.57
Sep2010	\$2.41	Sep2010	-\$0.35
Sep2009	-\$7.11	Sep2009	-\$1.14
Sep2008	\$3.67	Sep2008	\$1.82
Sep2007	-\$1.11	Sep2007	\$0.90
Sep2006	\$2.40	Sep2006	\$1.66
Sep2005	\$2.30	Sep2005	\$1.08
Sep2004	\$1.53	Sep2004	\$0.39
Sep2003	-\$0.46	Sep2003	-\$0.15
Sep2002	\$0.00	Balance Sheet Information 9/1/2018	
Dec2001	\$0.00	Total Current Assets	\$6,199,000,000
Dec2000	\$0.00	Total Current Liabilities	\$4,410,000,000
Dec1999	\$0.00	Long-Term Debt	\$3,037,000,000
		Total Assets	\$20,386,000,000
		Intangible Assets	\$7,388,000,000
		Total Liabilities	\$9,555,000,000
		Shares Outstanding (Diluted Average)	350,000,000





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**
- [TE Connectivity Ltd Valuation – March 2018 \\$TEL](#)
 - [9 Best Stocks For Value Investors This Week – 6/24/16](#)
 - [TE Connectivity Ltd Valuation – June 2016 \\$TEL](#)
 - [13 Best Stocks For Value Investors This Week – 12/12/15](#)
 - [TE Connectivity Ltd Valuation – December 2015 Update \\$TEL](#)

- Other ModernGraham posts about related companies**
- [NVIDIA Corp Valuation – January 2019 \\$NVDA](#)
 - [Seagate Technology PLC Valuation – January 2019 \\$STX](#)
 - [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](#)