

ModernGraham Valuation

Company Name:

Motorola Solutions Inc

Company Ticker MSI

Date of Analysis

2/23/2019



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	\$22,938,661,879	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.38	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	48.30%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	31.40	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-19.00	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	1.38	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.50	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.46
MG Growth Estimate	2.37%
MG Value	\$58.99
MG Value based on 3% Growth	\$64.65
MG Value based on 0% Growth	\$37.90
Market Implied Growth Rate	11.45%

MG Opinion

Current Price	\$139.98
% of Intrinsic Value	237.29%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$37.03
Graham Number	\$0.00
PEmg	31.40
Current Ratio	1.38
PB Ratio	-19.00
Current Dividend	\$2.13
Dividend Yield	1.52%
Number of Consecutive Years of Dividend Growth	8

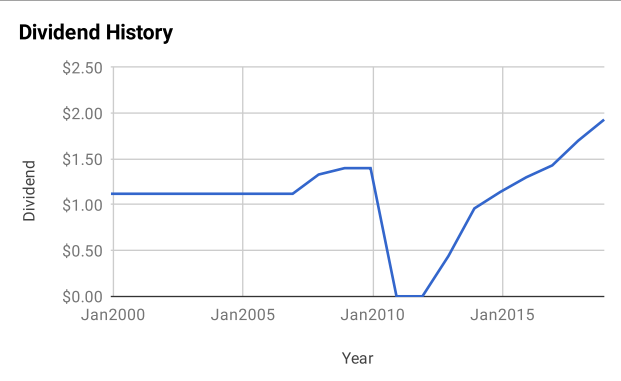
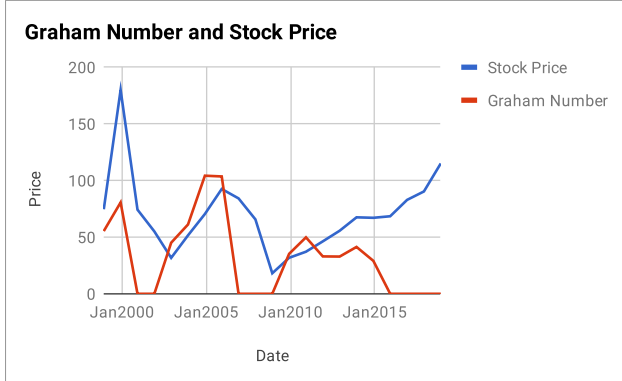
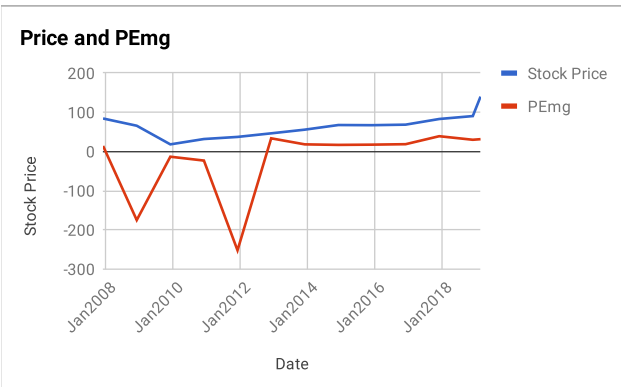
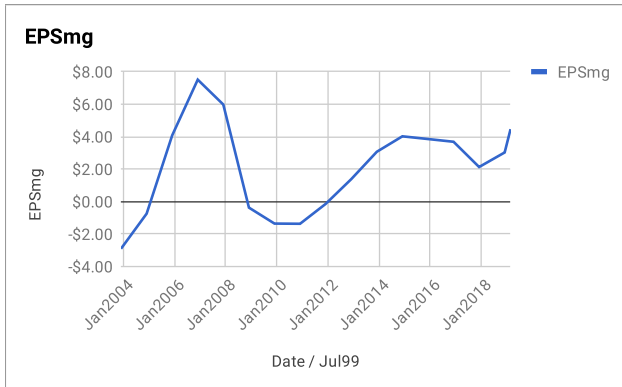
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.55	Next Fiscal Year Estimate	\$4.46
Dec2018	\$5.62	Dec2018	\$3.02
Dec2017	-\$0.95	Dec2017	\$2.13
Dec2016	\$3.24	Dec2016	\$3.68
Dec2015	\$3.02	Dec2015	\$3.85
Dec2014	\$5.29	Dec2014	\$4.02
Dec2013	\$4.06	Dec2013	\$3.06
Dec2012	\$2.96	Dec2012	\$1.38
Dec2011	\$3.41	Dec2011	-\$0.15
Dec2010	\$1.87	Dec2010	-\$1.37
Dec2009	-\$0.14	Dec2009	-\$1.36
Dec2008	-\$13.09	Dec2008	-\$0.38
Dec2007	-\$0.14	Dec2007	\$5.97
Dec2006	\$10.22	Dec2006	\$7.51
Dec2005	\$12.67	Dec2005	\$4.08
Dec2004	\$4.38	Dec2004	-\$0.75
Dec2003	\$2.66	Dec2003	-\$2.91
Dec2002	-\$7.63	Balance Sheet Information 12/1/2018	
Dec2001	-\$12.46	Total Current Assets	\$4,272,000,000
Dec2000	\$4.06	Total Current Liabilities	\$3,096,000,000
Dec1999	\$2.87	Long-Term Debt	\$5,289,000,000
		Total Assets	\$9,409,000,000
		Intangible Assets	\$2,744,000,000
		Total Liabilities	\$10,685,000,000
		Shares Outstanding (Diluted Average)	173,200,000





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**
- [Motorola Solutions Inc Valuation – May 2018 \\$MSI](#)
 - [5 Undervalued Companies for Value Investors with a Low Beta – July 2017](#)
 - [5 Undervalued Companies for Value Investors with a Low Beta – January 2017](#)
 - [8 Best Stocks for Value Investors This Week – 12/27/16](#)
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 - [Sykes Enterprises Inc Valuation – October 2018 \\$SYKE](#)
 - [Computer Programs and Systems Inc Valuation – August 2018 \\$CPSI](#)
 - [Science Applications International Corp Valuation – July 2018 \\$SAIC](#)
 - [Acxiom Corp Valuation – July 2018 \\$ACXM](#)
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