ModernGraham Valuation

Company Name:

Edwards Lifesciences Corp



Company Ticker EW Date of Analysis

3/2/2019

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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$36,091,033,254 Pass
2. Sufficiently Strong Financial Condition	n Current Ratio > 2	2.61 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	258.21% Pass
6. Moderate PEmg Ratio	PEmg < 20	47.51 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	11.73 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.61 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.42 Pass
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	Pass
	Score	

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Suitability

Defensive No Enterprising Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.66
MG Growth Estimate	8.64%
MG Value	\$94.29
MG Value based on 3% Growth	\$53.01
MG Value based on 0% Growth	\$31.08
Market Implied Growth Rate	19.51%

MG Opinion

 Current Price
 \$173.71

 % of Intrinsic Value
 184.24%

Opinion Overvalued

MG Grade C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$0.49
Graham Number	\$41.72
PEmg	47.51
Current Ratio	2.61
PB Ratio	11.73
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Morningstar

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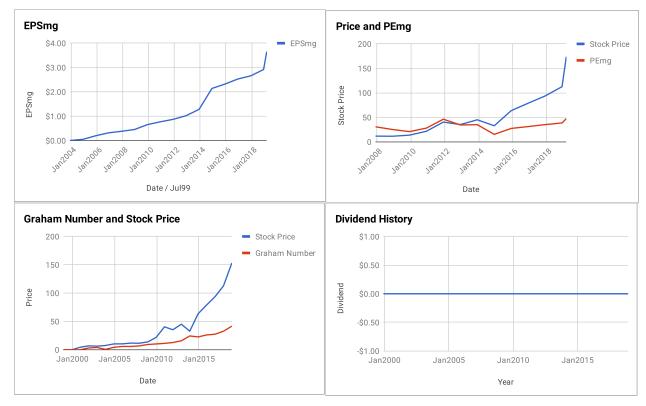
 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			20.00
Estimate	• • •	Next Fiscal Year Estimate	\$3.66
Dec2018	\$3.38	Dec2018	\$2.92
Dec2017	\$2.70	Dec2017	\$2.66
Dec2016	\$2.61	Dec2016	\$2.53
Dec2015	\$2.25	Dec2015	\$2.32
Dec2014	\$3.74	Dec2014	\$2.14
Dec2013	\$1.71	Dec2013	\$1.28
Dec2012	\$1.23	Dec2012	\$1.02
Dec2011	\$0.99	Dec2011	\$0.87
Dec2010	\$0.92	Dec2010	\$0.77
Dec2009	\$0.98	Dec2009	\$0.66
Dec2008	\$0.55	Dec2008	\$0.46
Dec2007	\$0.47	Dec2007	\$0.38
Dec2006	\$0.53	Dec2006	\$0.32
Dec2005	\$0.32	Dec2005	\$0.20
Dec2004	\$0.01	Dec2004	\$0.05
Dec2003	\$0.32	Dec2003	\$0.00
Dec2002	\$0.23	Balance Sheet Information	12/1/2018
Dec2001	-\$0.05	Total Current Assets	\$2,286,900,000
Dec2000	-\$1.16	Total Current Liabilities	\$876,600,000
Dec1999	\$0.00	Long-Term Debt	\$593,800,000
	•	Total Assets	\$5,323,700,000
		Intangible Assets	\$1,455,400,000
		Total Liabilities	\$2,183,300,000
		Shares Outstanding (Diluted Average)	212,100,000





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.

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