

ModernGraham Valuation

Company Name:

Fortive Corp

Company Ticker FTV

Date of Analysis

3/19/2019



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	\$27,950,071,490	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.45	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	48466.67%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	18.98	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.27	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	1.45	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.04	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	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.40
MG Growth Estimate	15.00%
MG Value	\$169.45
MG Value based on 3% Growth	\$63.82
MG Value based on 0% Growth	\$37.41
Market Implied Growth Rate	5.24%

MG Opinion

Current Price	\$83.53
% of Intrinsic Value	49.29%
Opinion	Undervalued
MG Grade	C-

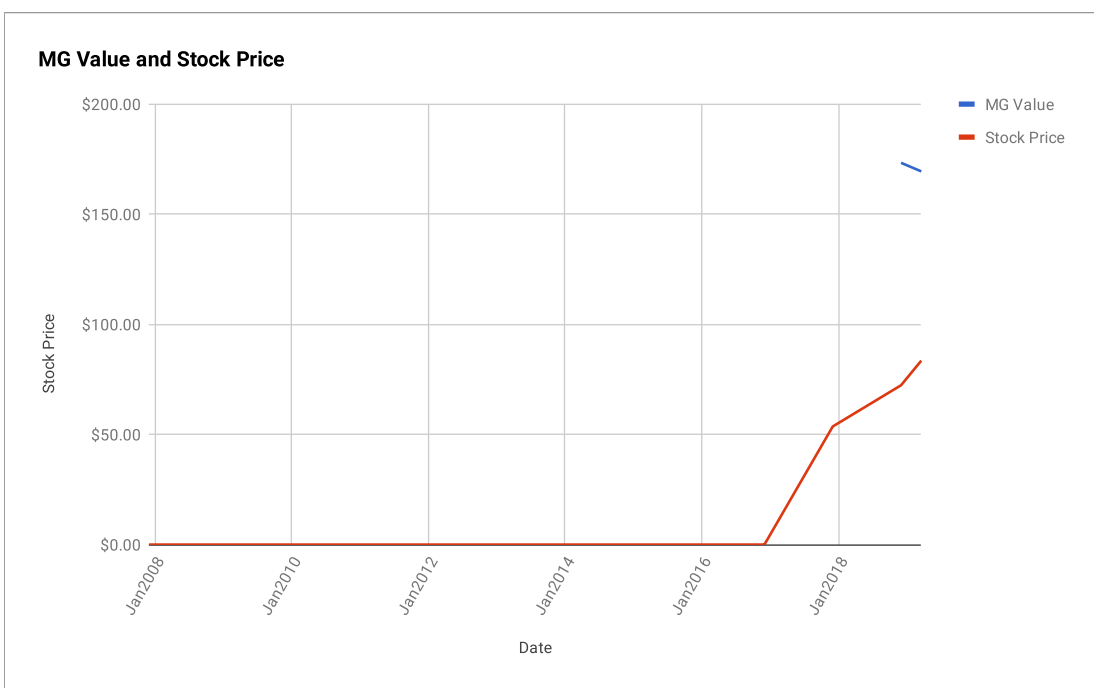
Stage 3: Information for Further Research

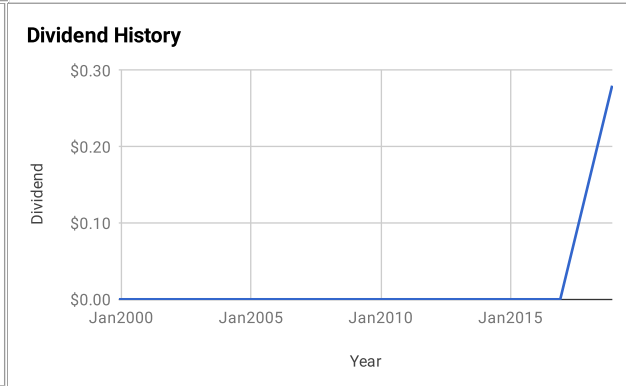
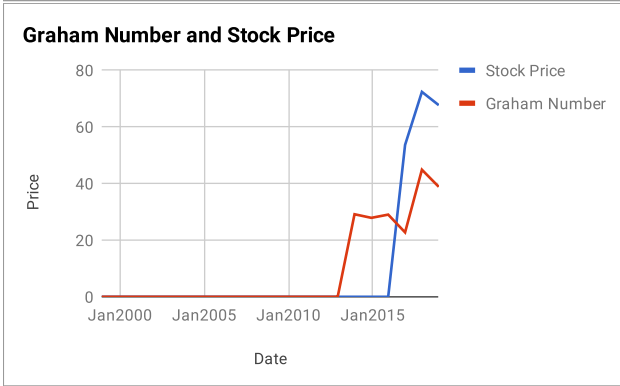
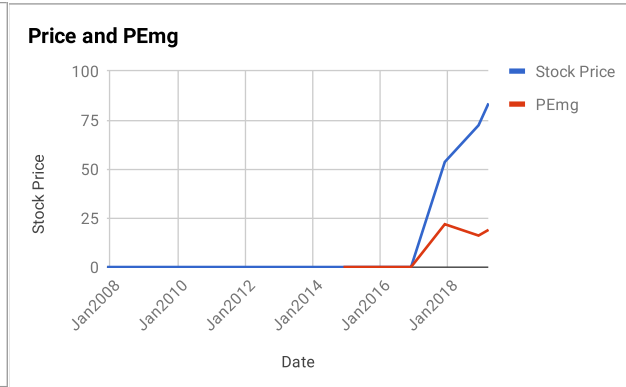
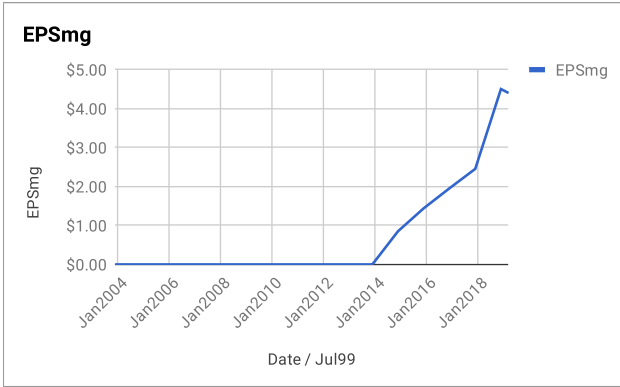
Net Current Asset Value (NCAV)	-\$9.22
Graham Number	\$38.84
PEmg	18.98
Current Ratio	1.45
PB Ratio	4.27
Current Dividend	\$0.28
Dividend Yield	0.34%
Number of Consecutive Years of Dividend Growth	3

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	\$3.40	Next Fiscal Year Estimate	\$4.40
Dec2018	\$8.21	Dec2018	\$4.50
Dec2017	\$2.96	Dec2017	\$2.45
Dec2016	\$2.51	Dec2016	\$1.96
Dec2015	\$2.28	Dec2015	\$1.44
Dec2014	\$2.56	Dec2014	\$0.85
Dec2013	\$0.00	Dec2013	\$0.00
Dec2012	\$0.00	Dec2012	\$0.00
Dec2011	\$0.00	Dec2011	\$0.00
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Balance Sheet Information 12/1/2018	
Dec2001	\$0.00	Total Current Assets	\$3,171,200,000
Dec2000	\$0.00	Total Current Liabilities	\$2,192,100,000
Dec1999	\$0.00	Long-Term Debt	\$2,974,700,000
		Total Assets	\$12,905,600,000
		Intangible Assets	\$8,609,400,000
		Total Liabilities	\$6,292,700,000
		Shares Outstanding (Diluted Average)	338,400,000





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

- [Fortive Corp Valuation – June 2018 \\$FTV](#)
- [6 Best Stocks for Value Investors This Week – 3/11/17](#)
- [Fortive Corp Valuation – Initial Coverage \\$FTV](#)

Other ModernGraham posts about related companies

- [Analog Devices Inc Valuation – March 2019 #ADI](#)
- [JPG Photonics Corp Valuation – March 2019 #IPGP](#)
- [Micron Technology Inc Valuation – March 2019 #MU](#)
- [Amphenol Corp Valuation – March 2019 #APH](#)
- [Xilinx Inc Valuation – March 2019 #XLNX](#)
- [Western Digital Corp Valuation – March 2019 #WDC](#)
- [Texas Instruments Inc Valuation – March 2019 #TXN](#)
- [Qualcomm Inc Valuation – March 2019 #QCOM](#)
- [Ametek Inc Valuation – March 2019 #AME](#)
- [Advanced Micro Devices Inc Valuation – February 2019 \\$AMD](#)