

ModernGraham Valuation

Company Name:

Hologic, Inc.

Company Ticker HOLX

Date of Analysis

3/20/2019



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	\$13,730,000,796	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.30	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	6528.57%	Pass
5. Earnings Growth	PEmg < 20	33.53	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.36	Fail
7. Moderate Price to Assets			

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	1.30	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.66	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.41
MG Growth Estimate	15.00%
MG Value	\$54.13
MG Value based on 3% Growth	\$20.39
MG Value based on 0% Growth	\$11.95
Market Implied Growth Rate	12.51%

MG Opinion

Current Price	\$47.14
% of Intrinsic Value	87.09%
Opinion	Fairly Valued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$11.51
Graham Number	\$22.04
PEmg	33.53
Current Ratio	1.30
PB Ratio	5.36
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Sep2018	\$2.40	Sep2018	\$1.41
Sep2017	-\$0.40	Sep2017	\$0.87
Sep2016	\$2.64	Sep2016	\$1.00
Sep2015	\$1.16	Sep2015	-\$0.08
Sep2014	\$0.45	Sep2014	-\$0.70
Sep2013	\$0.06	Sep2013	-\$1.14
Sep2012	-\$4.36	Sep2012	-\$2.02
Sep2011	-\$0.28	Sep2011	-\$1.24
Sep2010	\$0.59	Sep2010	-\$1.75
Sep2009	-\$0.24	Sep2009	-\$2.56
Sep2008	-\$8.64	Sep2008	-\$3.07
Sep2007	-\$1.57	Sep2007	-\$0.19
Sep2006	\$0.86	Sep2006	\$0.45
Sep2005	\$0.28	Sep2005	\$0.21
Sep2004	\$0.32	Sep2004	\$0.13
Sep2003	\$0.15	Sep2003	-\$0.01
Sep2002	\$0.04	Sep2003	-\$0.10
Sep2001	\$0.00	Balance Sheet Information	
Sep2000	-\$0.34	12/1/2018	
Sep2000	-\$0.31	Total Current Assets	\$1,401,900,000
Sep1999	-\$0.07	Total Current Liabilities	\$1,077,700,000
		Long-Term Debt	\$2,807,900,000
		Total Assets	\$6,931,500,000
		Intangible Assets	\$4,965,100,000
		Total Liabilities	\$4,537,100,000
		Shares Outstanding (Diluted Average)	272,372,000





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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