# **ModernGraham Valuation**

## **Company Name:**

Pentair PLC

PNR Company Ticker

Date of Analysis 3/24/2019

### 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.

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1	. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$7,241,842,352 Pass
2	2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.27 Fail
3	Earnings Stability	Positive EPS for 10 years prior	Fail
4	. Dividend Record	Dividend Payments for 10 years prior	Pass
		Increase of 33% in EPS in past 10 years using 3 year averages at	
5	5. Earnings Growth	beginning and end	760.64% Pass
6	6. Moderate PEmg Ratio	PEmg < 20	17.36 Pass
7	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.00 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	1.27	Fail
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.57	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

45.10%

Score

Suitability

MG Opinion

Defensive No Enterprising No

#### Stage 2: Determination of Intrinsic Value

EPSmg	\$2.43
MG Growth Estimate	15.00%
MG Value	\$93.71
MG Value based on 3% Growth	\$35.29
MG Value based on 0% Growth	\$20.69
Market Implied Growth Rate	4.43%
Current Price	\$42.26

% of Intrinsic Value Opinion Undervalued

MG Grade

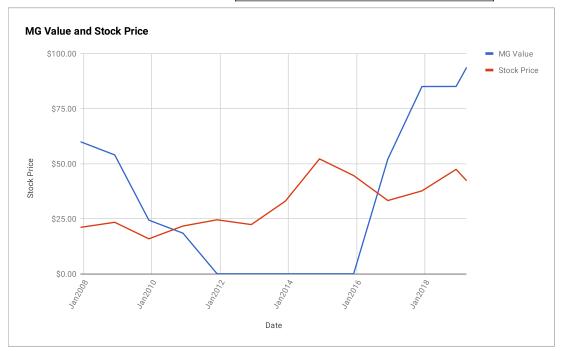
#### Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$5.36
Graham Number	\$24.39
PEmg	17.36
Current Ratio	1.27
PB Ratio	4.00
Current Dividend	\$1.05
Dividend Yield	2.48%
Number of Consecutive Years of Dividend	
Growth	0

**Useful Links:** ModernGraham tagged articles

Morningstar Google Finance MSN Money Yahoo Finance Seeking Alpha <u>GuruFocus</u> SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	7	Next Fiscal Year Estimate	\$2.43
Dec2018	\$1.96	Dec2018	\$2.21
Dec2017	\$3.63	Dec2017	\$2.21
Dec2016	\$2.85	Dec2016	\$1.35
Dec2015	-\$0.42	Dec2015	\$0.56
Dec2014	\$1.11	Dec2014	\$1.01
Dec2013	\$2.62	Dec2013	\$0.96
Dec2012	-\$0.84	Dec2012	\$0.38
Dec2011	-\$0.08	Dec2011	\$1.15
Dec2010	\$1.86	Dec2010	\$1.80
Dec2009	\$1.17	Dec2009	\$1.79
Dec2008	\$2.31	Dec2008	\$2.05
Dec2007	\$2.11	Dec2007	\$1.86
Dec2006	\$1.81	Dec2006	\$1.70
Dec2005	\$1.80	Dec2005	\$1.53
Dec2004	\$1.68	Dec2004	\$1.28
Dec2003	\$1.42	Dec2003	\$1.04
Dec2002	\$1.31	Balance Sheet Information	12/1/2018
Dec2001	\$0.33	Total Current Assets	\$1,039,400,000
Dec2000	\$0.57	Total Current Liabilities	\$818,700,000
Dec1999	\$1.17	Long-Term Debt	\$787,600,000
		Total Assets	\$3,806,500,000
		Intangible Assets	\$2,349,000,000
		Total Liabilities	\$1,970,400,000
		Shares Outstanding (Diluted Average)	173,700,000





#### 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 10 Undervalued Companies for the Defensive Dividend Stock Investor – February 2019

<u>10 Undervalued Companies for the Defensive Dividend Stock Investor – July 2018</u>

Pentair PLC Valuation – June 2018 \$PNR
Pentair PLC Valuation – March 2017 \$PNR

Pentair PLC Valuation - November 2015 Update \$PNR

Other ModernGraham posts about related companies Snap-On Inc Valuation - March 2019 #SNA

W.W. Grainger Inc Valuation - February 2019 \$GWW

Xylem Inc Valuation – February 2019 \$XYL

Allegion PLC Valuation - February 2019 \$ALLE

Arconic Inc Valuation - February 2019 \$ARNC

Roper Technologies Inc Valuation – February 2019 \$ROP

Rockwell Automation Inc Valuation - February 2019 \$ROK

Eaton Corp PLC Valuation – January 2019 \$ETN

Fastenal Co Valuation – January 2019 \$FAST

Deere & Co Valuation – January 2019 \$DE