

# ModernGraham Valuation

Company Name:

ResMed Inc.

Company Ticker RMD

Date of Analysis

3/8/2019



## 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	\$14,454,671,393	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.44	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	74.20%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	39.26	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.46	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	2.44	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.89	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 Score		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.57
MG Growth Estimate	2.51%
<b>MG Value</b>	<b>\$34.82</b>
MG Value based on 3% Growth	\$37.32
MG Value based on 0% Growth	\$21.88
Market Implied Growth Rate	15.38%

### MG Opinion

Current Price	\$101.06
% of Intrinsic Value	290.28%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

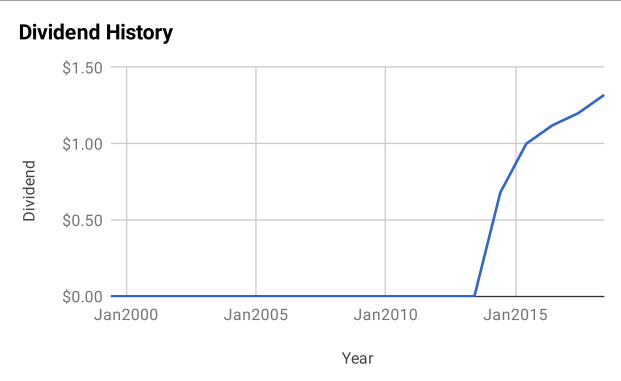
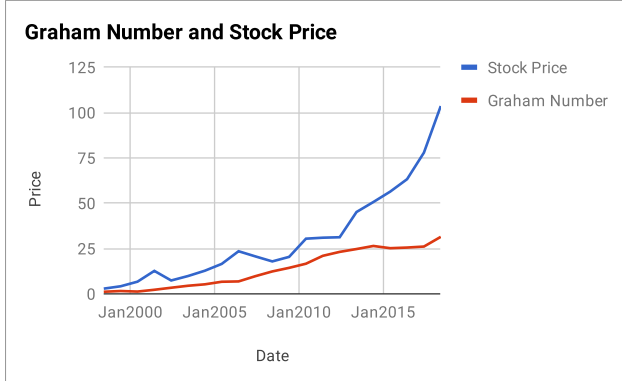
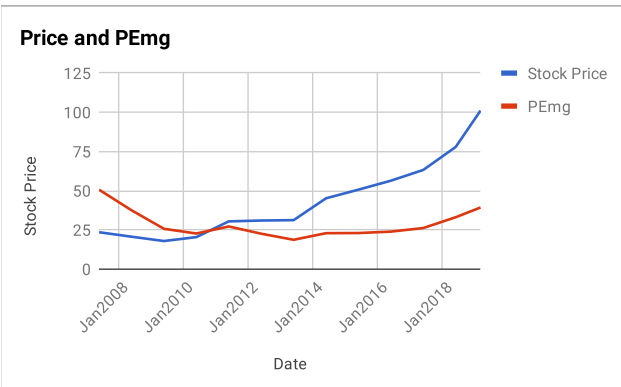
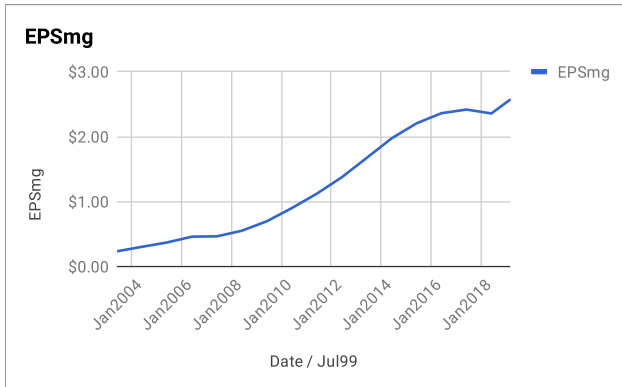
Net Current Asset Value (NCAV)	-\$5.82
Graham Number	\$31.42
PEmg	39.26
Current Ratio	2.44
PB Ratio	7.46
Current Dividend	\$1.40
Dividend Yield	1.39%
Number of Consecutive Years of Dividend Growth	6

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.04	Next Fiscal Year Estimate	\$2.57
Jun2018	\$2.19	Jun2018	\$2.36
Jun2017	\$2.40	Jun2017	\$2.42
Jun2016	\$2.49	Jun2016	\$2.36
Jun2015	\$2.47	Jun2015	\$2.20
Jun2014	\$2.39	Jun2014	\$1.97
Jun2013	\$2.10	Jun2013	\$1.67
Jun2012	\$1.71	Jun2012	\$1.37
Jun2011	\$1.44	Jun2011	\$1.12
Jun2010	\$1.23	Jun2010	\$0.90
Jun2009	\$0.95	Jun2009	\$0.70
Jun2008	\$0.70	Jun2008	\$0.55
Jun2007	\$0.43	Jun2007	\$0.46
Jun2006	\$0.58	Jun2006	\$0.46
Jun2005	\$0.46	Jun2005	\$0.37
Jun2004	\$0.41	Jun2004	\$0.30
Jun2003	\$0.33	Jun2003	\$0.23
Jun2002	\$0.28	<b>Balance Sheet Information 12/1/2018</b>	
Jun2001	\$0.09	Total Current Assets	\$1,063,539,000
Jun2000	\$0.17	Total Current Liabilities	\$436,443,000
Jun1999	\$0.13	Long-Term Debt	\$1,185,500,000
		Total Assets	\$3,859,816,000
		Intangible Assets	\$2,243,971,000
		Total Liabilities	\$1,903,772,000
		Shares Outstanding (Diluted Average)	144,349,000





**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 #N/A

- Other ModernGraham posts about related companies
- [Cooper Companies Inc Valuation – March 2019 #COO](#)
  - [Edwards Lifesciences Corp Valuation – March 2019 \\$FEW](#)
  - [Boston Scientific Corporation Valuation – March 2019 \\$BSX](#)
  - [Baxter International Inc Valuation – March 2019 \\$BAX](#)
  - [Centene Corp Valuation – March 2019 \\$CNC](#)
  - [Abbott Laboratories Valuation – February 2019 \\$ABT](#)
  - [Becton Dickinson and Co Valuation – February 2019 \\$BDX](#)
  - [IQVIA Holdings Inc Valuation – February 2019 \\$IQV](#)
  - [Thermo Fisher Scientific Inc Valuation – February 2019 \\$TMO](#)
  - [Illumina Inc Valuation – February 2019 \\$ILMN](#)