

ModernGraham Valuation

Keysight
Technologies Inc



Company Name:

Company Ticker KEYS

Date of Analysis

4/4/2019

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	\$16,693,423,773	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.82	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	17200.00%	Pass
6. Moderate PEmg Ratio	PEmg < 20	43.15	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.35	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	1.82	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.13	Fail
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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.06
MG Growth Estimate	3.98%
MG Value	\$33.86
MG Value based on 3% Growth	\$29.84
MG Value based on 0% Growth	\$17.49
Market Implied Growth Rate	17.32%

MG Opinion

Current Price	\$88.80
% of Intrinsic Value	262.22%
Opinion	Overvalued
MG Grade	F

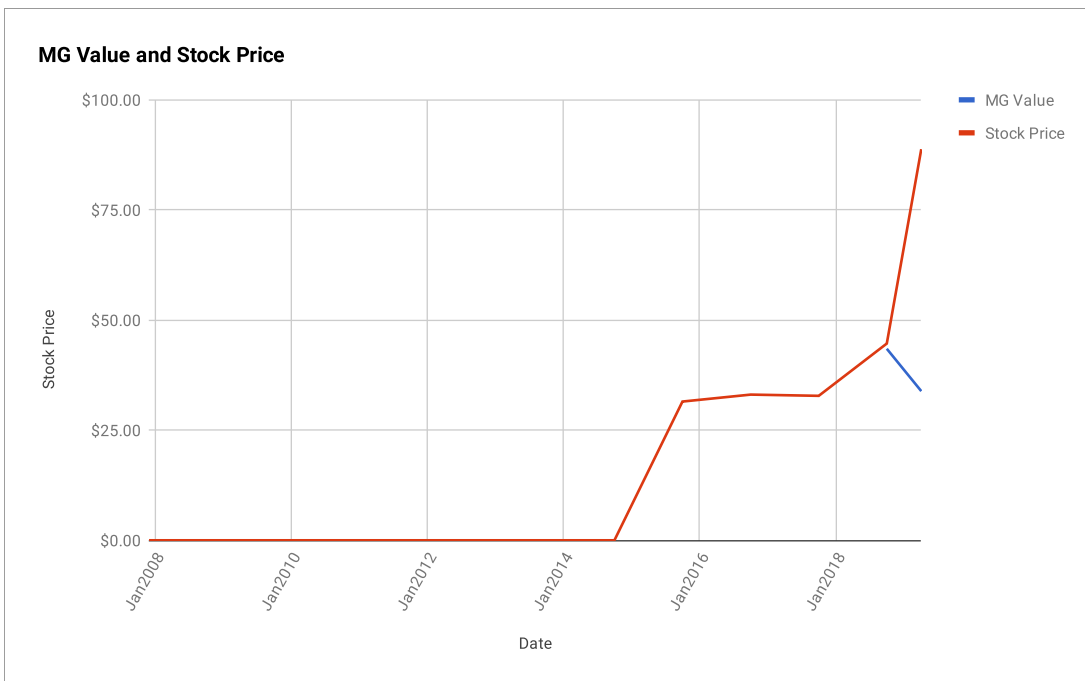
Stage 3: Information for Further Research

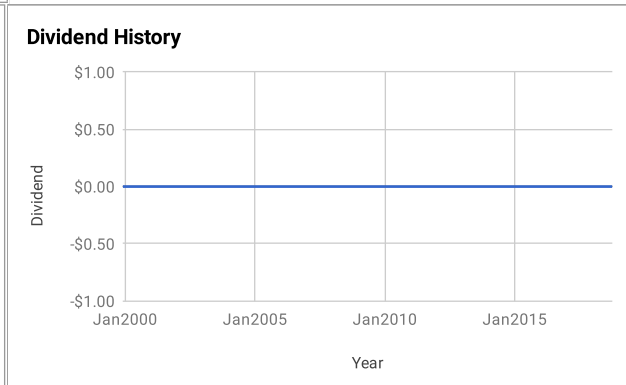
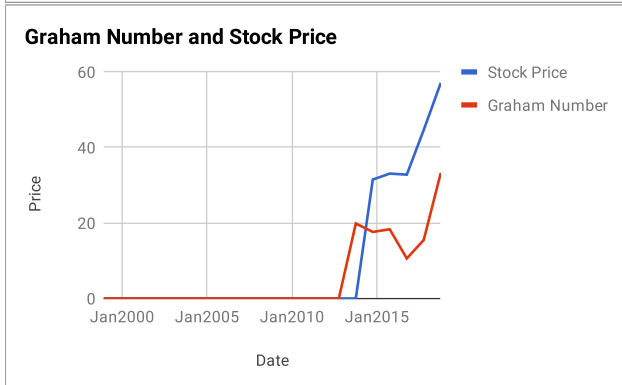
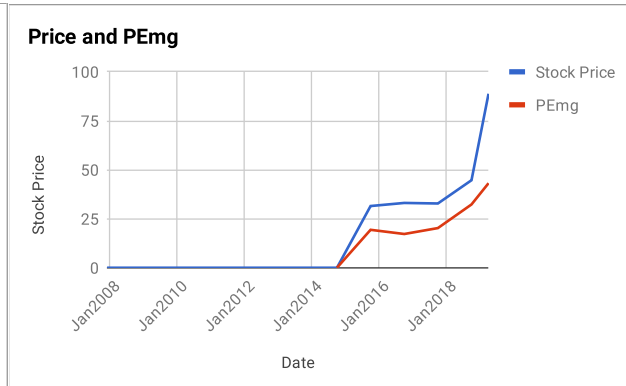
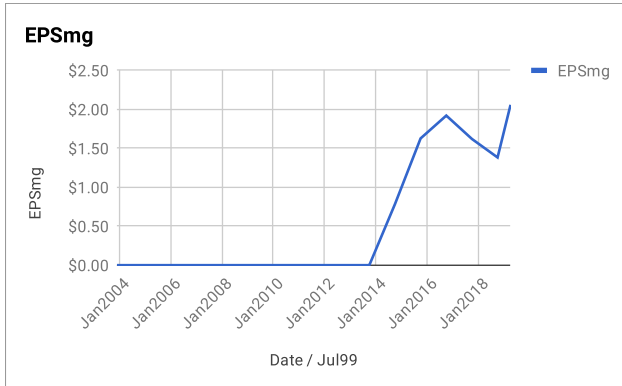
Net Current Asset Value (NCAV)	-\$4.08
Graham Number	\$33.26
PEmg	43.15
Current Ratio	1.82
PB Ratio	6.35
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$3.77	Next Fiscal Year Estimate	\$2.06
Oct2018	\$0.86	Oct2018	\$1.38
Oct2017	\$0.56	Oct2017	\$1.62
Oct2016	\$1.95	Oct2016	\$1.92
Oct2015	\$3.00	Oct2015	\$1.63
Oct2014	\$2.35	Oct2014	\$0.78
Oct2013	\$0.00	Oct2013	\$0.00
Oct2012	\$0.00	Oct2012	\$0.00
Oct2011	\$0.00	Oct2011	\$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 1/1/2019	
Dec2001	\$0.00	Total Current Assets	\$2,544,000,000
Dec2000	\$0.00	Total Current Liabilities	\$1,400,000,000
Dec1999	\$0.00	Long-Term Debt	\$1,291,000,000
		Total Assets	\$5,978,000,000
		Intangible Assets	\$1,775,000,000
		Total Liabilities	\$3,320,000,000
		Shares Outstanding (Diluted Average)	190,000,000





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 [Keysight Technologies Inc Valuation – August 2018 \\$KEYS](#)
[Keysight Technologies Inc Valuation – Initial Coverage \\$KEYS](#)

Other ModernGraham posts about related companies [Skyworks Solutions Inc Valuation – March 2019 #SWKS](#)
[Garmin Ltd Valuation – March 2019 #GRMN](#)
[Hewlett Packard Enterprise Co Valuation – March 2019 #HPE](#)
[Fortive Corp Valuation – March 2019 #FTV](#)
[Analog Devices Inc Valuation – March 2019 #ADI](#)
[IPG Photonics Corp Valuation – March 2019 #IPGP](#)
[Micron Technology Inc Valuation – March 2019 #MU](#)
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[Xilinx Inc Valuation – March 2019 #XLNX](#)
[Western Digital Corp Valuation – March 2019 #WDC](#)