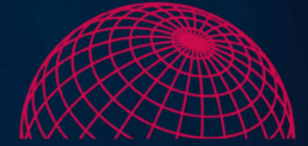


# Hidden med-tech powerhouse taking over!



# In 1958, Mr. Miles “Lowell” Edwards founded Edwards with a vision to revolutionize med-tech



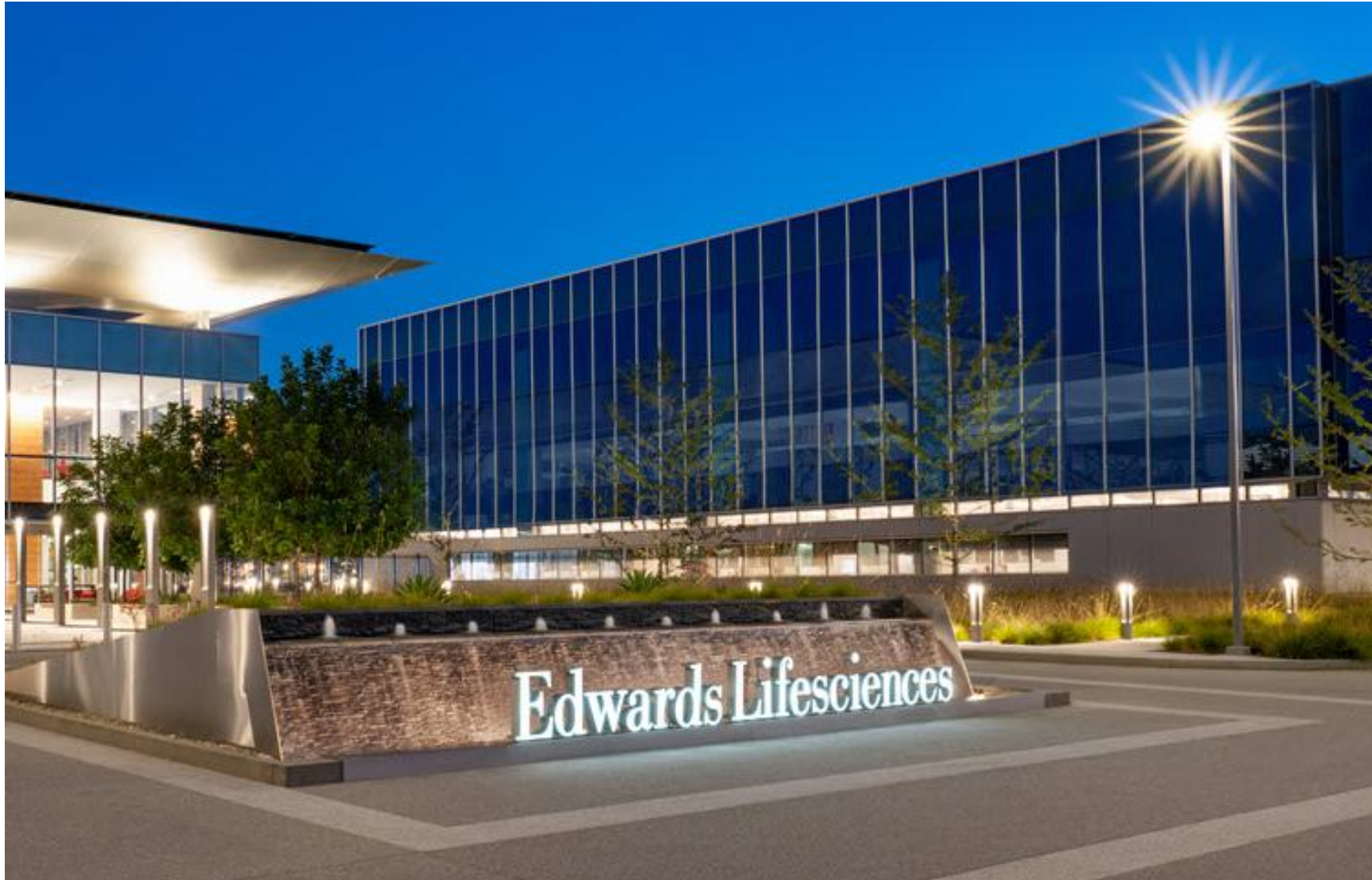
## **CASE STUDY** VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

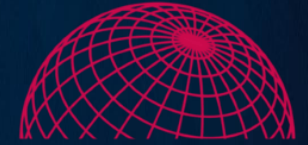
**Andrew Stotz, PhD, CFA**



# Today, Edwards has grown into a global leader with a market cap of US\$43bn



This is not a recommendation  
or investment advice.



## CASE STUDY

### VALUATION MASTER CLASS

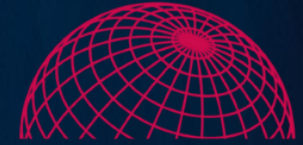
by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

# Welcome to this Valuation Master Class case study!

---

- ★ My name is Andrew Stotz, and for over 30 years, I've helped thousands of finance professionals master company valuation in months, not years



## **CASE STUDY** VALUATION MASTER CLASS

by

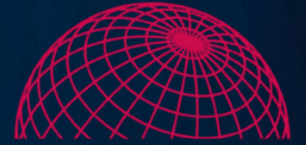
*A. Stotz* INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**

# In this video, you're gonna learn

---

- ★ Edwards' story, a hidden med-tech powerhouse!
- ★ The effectiveness of Edwards' competitive advantage
- ★ Edwards' attractiveness on my **Global Stock Tracker**



## CASE STUDY

VALUATION MASTER CLASS

by

*A. Stotz*

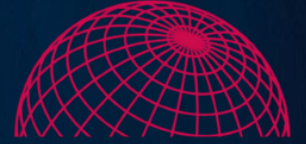
INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**

# Remember to...

---

- ★ ...click the link in the description to get this presentation and my Global Stock Tracker of the top 500 companies for free!



## **CASE STUDY** VALUATION MASTER CLASS

by

*A. Stotz* INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**



# Hidden med-tech powerhouse taking over!



## CASE STUDY

VALUATION MASTER CLASS

by

*A. Stoltz*

INVESTMENT  
RESEARCH

**This is not a recommendation  
or investment advice.**

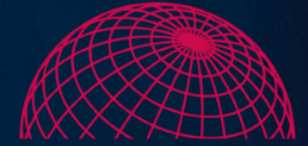
- 🌐 What is this company's story?
- 🌐 What is the company's competitive strategy?
- 🌐 Does that strategy lead to a competitive advantage?
- 🌐 What does the valuation look like?

# Edwards is recognized as a leader in the medical sector, showcasing innovation and quality



**This is not a recommendation  
or investment advice.**

Sources: [edwards.com](https://www.edwards.com)



## **CASE STUDY** VALUATION MASTER CLASS

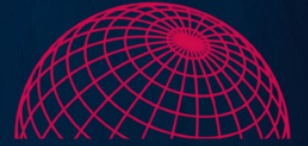
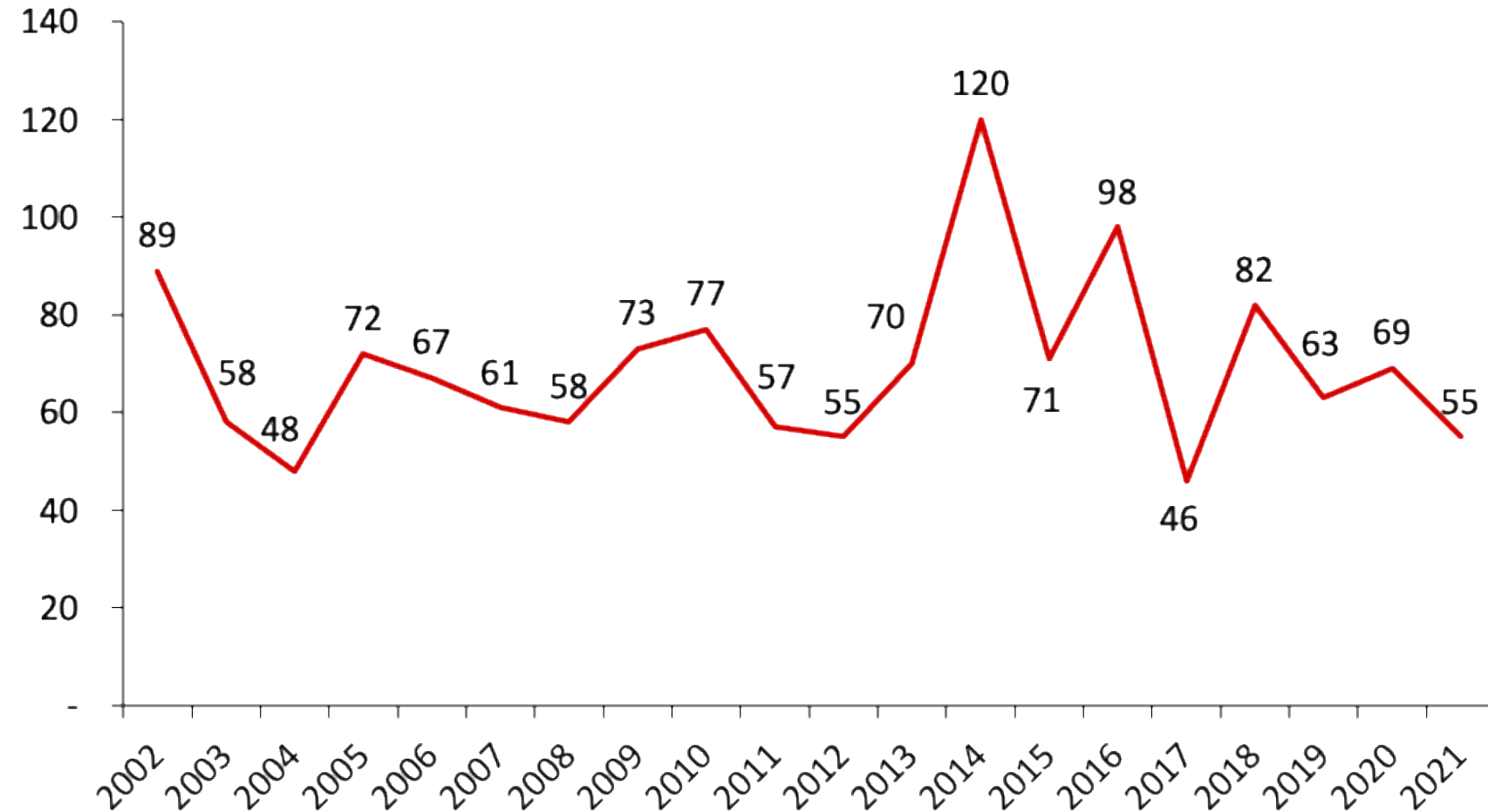
by  
*A. Stotz* INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**



# Having over 1,500 patents shows Edwards' leadership in the med-tech sector

Patent filed



## CASE STUDY

### VALUATION MASTER CLASS

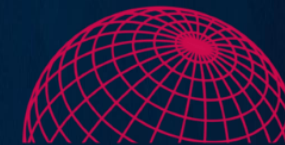
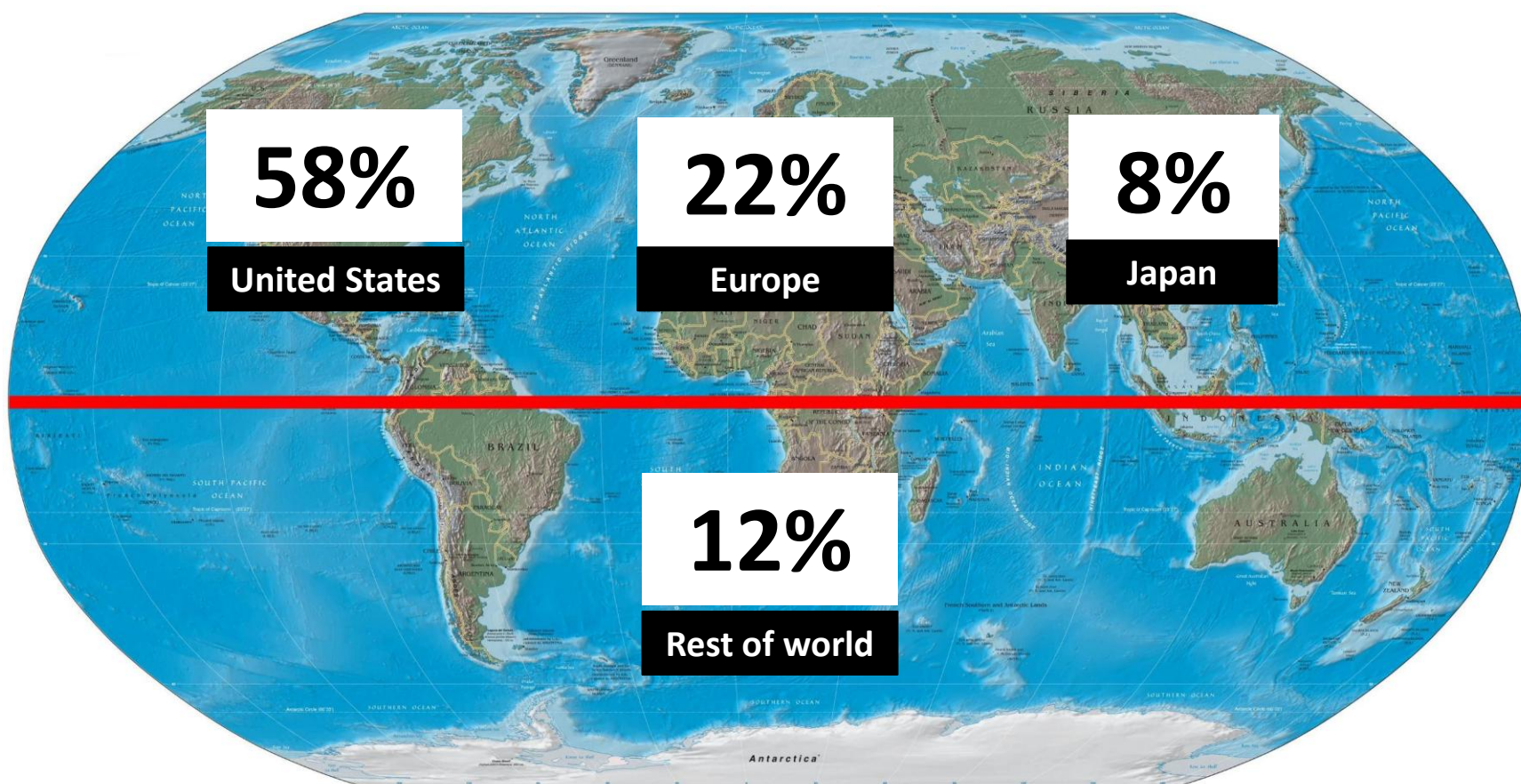
by

*A. Stotz*

INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

# United States is a significant market for Edwards

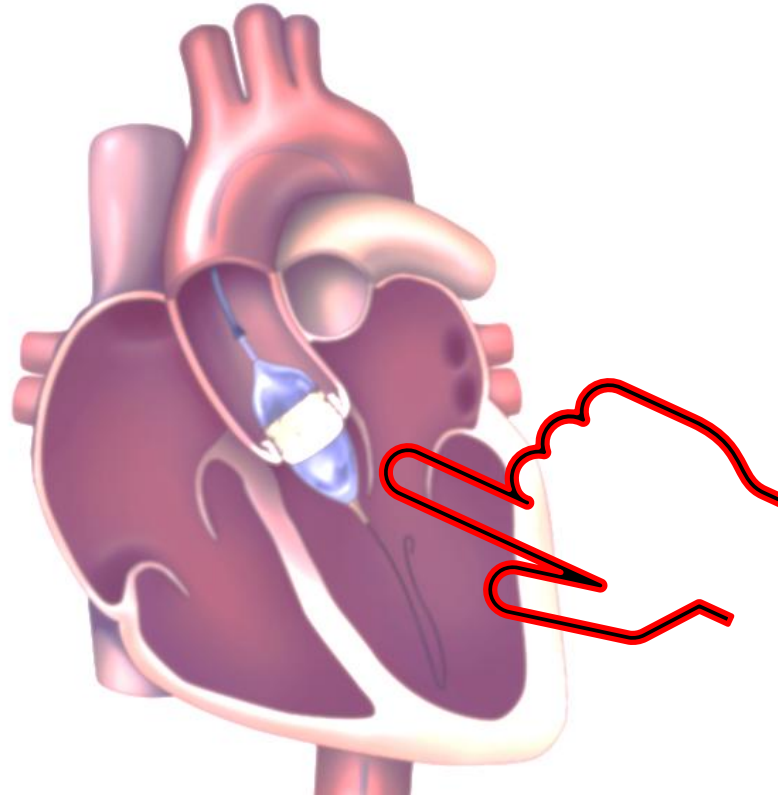


## CASE STUDY VALUATION MASTER CLASS

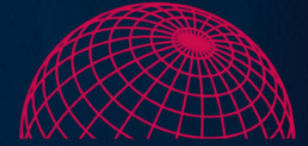
by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

# Transcatheter Aortic Valve Replacement (TAVR) restores heart function without surgery



**75% of revenue**



## **CASE STUDY** VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**



# Transcatheter Mitral and Tricuspid Valve improve heart efficiency and blood circulation



8% of revenue



## CASE STUDY VALUATION MASTER CLASS

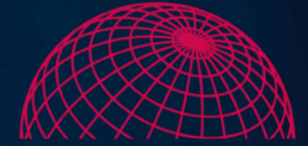
by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

# Surgical Valves are a traditional method used in open-heart surgery to treat valve diseases



17% of revenue



## CASE STUDY VALUATION MASTER CLASS

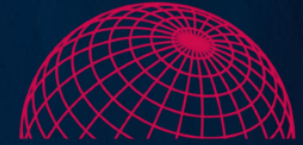
by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

# Edwards' product line is used to treat four types of common disease

---

- ★ Aortic Stenosis – Narrowing of the aortic valve, making it harder for the heart to pump
- ★ Aortic Regurgitation – The aortic valve doesn't close tightly, causing blood leakage
- ★ Mitral Regurgitation – Leakage of blood backward through the mitral valve
- ★ Mitral Valve Prolapse – A loose valve flutters instead of closing correctly, leading to regurgitation



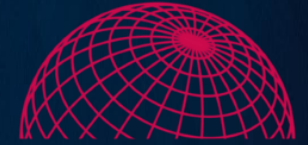
## CASE STUDY VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**



# In 2024, Edwards sold its Critical care segment to the US med-tech firm Becton Dickinson (BD)



## CASE STUDY VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

This is not a recommendation  
or investment advice.

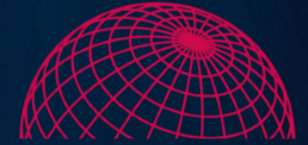
Sources: edwards.com

# Critical care involves monitoring patients during surgery and intensive care



**This is not a recommendation  
or investment advice.**

Sources: edwards.com



## **CASE STUDY** VALUATION MASTER CLASS

by

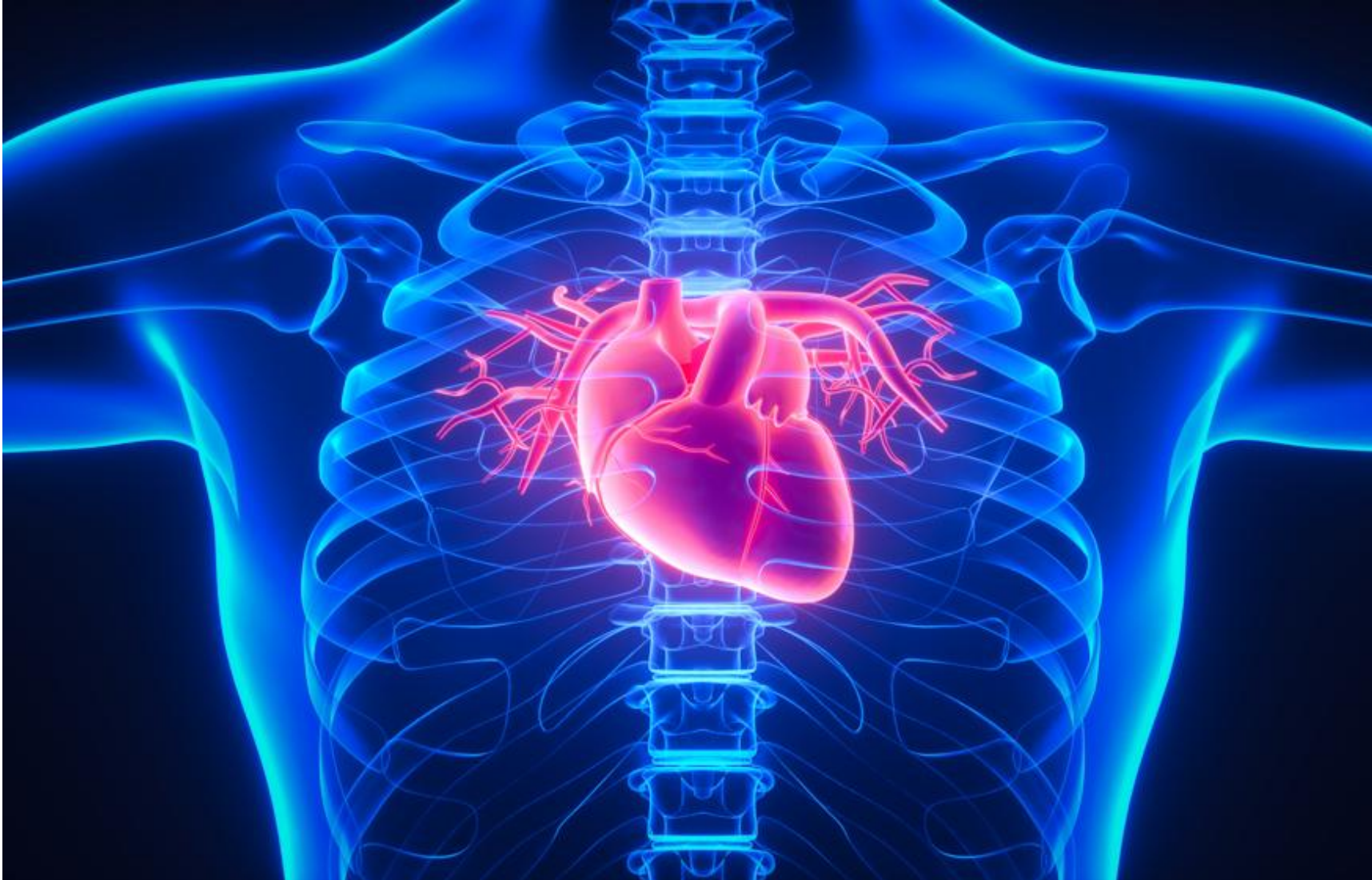
*A. Stotz*

INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**

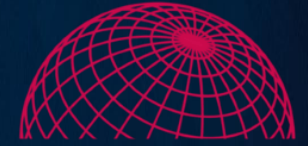


# The sale of the Critical care segment let Edwards focus on its core structural heart business



**This is not a recommendation  
or investment advice.**

Sources: edwards.com



## **CASE STUDY** VALUATION MASTER CLASS

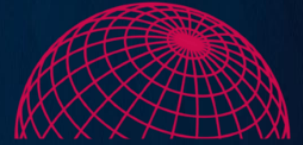
by  
*A. Stotz* INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**



# Recap: What is the company's background?

- Edwards is recognized as a leader in the med-tech sector, especially in the TAVR segment
- The Sale of its Critical care segment signals a strategic shift to concentrate on its core structural heart business



## CASE STUDY

VALUATION MASTER CLASS

by

*A. Stotz*

INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

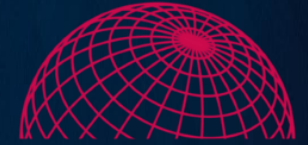
# In this video, you're gonna learn

---

- ★ Edwards' story, a hidden med-tech powerhouse!
- ★ The effectiveness of Edwards' competitive advantage
- ★ Edwards' attractiveness on my Global Stock Tracker



# The global structural heart devices market is expected to grow at a CAGR of 9% p.a. until 2030



## CASE STUDY VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

**This is not a recommendation  
or investment advice.**

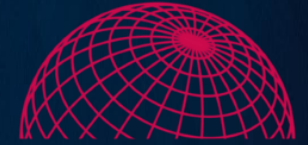
Sources: businesswire.com



# Transcatheter Aortic Valve Replacement (TAVR) dominates the structural heart devices market

---

- ★ Business wire projects TAVR segment to grow at a CAGR of 14% p.a. until 2030
- ★ This presents a significant growth opportunity for Edwards, which already dominates the market with a 60% global market share and a 70% US market share



## **CASE STUDY** VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

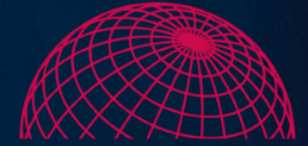
**Andrew Stotz, PhD, CFA**

# The company's strong 4Q24 EPS of US\$0.6 beat analysts' expectations by 7%



This is not a recommendation  
or investment advice.

Sources: edwards.com

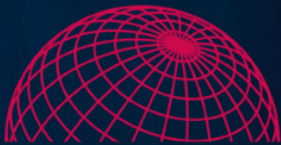


## CASE STUDY VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

# The EPS surprise drove up the share price more than 10%



## CASE STUDY VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA



# 36% of analysts rate Edwards a “Buy” while 53% recommend a “Hold”

## Analyst Ratings Edwards Lifesciences Corp.

	3 Months Ago	1 Month Ago	Current
Buy	<div><div></div></div> 9	<div><div></div></div> 11	<div><div></div></div> 12
Overweight	<div><div></div></div> 4	<div><div></div></div> 4	<div><div></div></div> 3
Hold	<div><div></div></div> 20	<div><div></div></div> 18	<div><div></div></div> 18
Underweight	0	0	0
Sell	0	<div><div></div></div> 1	<div><div></div></div> 1
Consensus	<div><div></div></div> OVERWEIGHT	<div><div></div></div> OVERWEIGHT	<div><div></div></div> OVERWEIGHT



### CASE STUDY VALUATION MASTER CLASS

by *A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

# Hidden med-tech powerhouse taking over!



## CASE STUDY

VALUATION MASTER CLASS

by

*A. Stoltz*

INVESTMENT  
RESEARCH

**This is not a recommendation  
or investment advice.**

- 🌐 What is this company's story?
- 🌐 **What is the company's competitive strategy?**
- 🌐 Does that strategy lead to a competitive advantage?
- 🌐 What does the valuation look like?

# Edwards Lifesciences - US - Founded 1958

Health care equip. & servs., 16,000 employees, US\$6bn revenue

## Main segments/products/divisions/brands

- Transcatheter Aortic Valve Replacement (TAVR)
- Transcatheter Mitral and Tricuspid Therapies (TMTT)
- Surgical Valve Technologies

## Its competitive advantage

*A pioneer in transcatheter heart valve therapy, robust intellectual property foundation, operates in a highly specialized and regulated field, leverages its global presence*

## How it achieved its competitive advantage

*Significant investment in research and development, relentless innovation, a patient-centric approach, strong collaborations with healthcare professionals, and leveraging its global infrastructure*



## CASE STUDY

VALUATION MASTER CLASS

by

A. Stotz

INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA





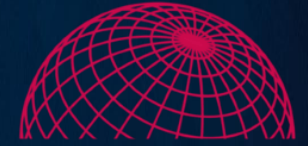
# A unique value proposition for Edwards is its commitment to innovation and quality



**This is not a recommendation  
or investment advice.**

Sources: [edwards.com](https://edwards.com)

27



## **CASE STUDY** VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

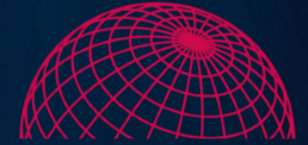
**Andrew Stotz, PhD, CFA**

# Research and development spending increased 12% YoY, representing 20% of 2024 sales



**This is not a recommendation  
or investment advice.**

Sources: edwards.com



## **CASE STUDY** VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**

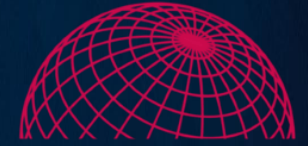


# Edwards' no-dividend policy reflects a leadership vision focused on long-term growth



**This is not a recommendation  
or investment advice.**

Sources: edwards.com



## **CASE STUDY** VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**



# Strategic acquisitions continue to grow its market share and strengthen product offerings



[Home](#) [Services](#) [News](#) [Education](#) [About Us](#)

Search

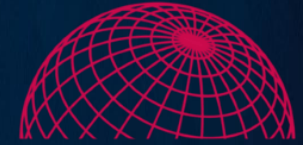
## Edwards Lifesciences Expands Structural Heart Portfolio With Acquisitions of JenaValve and Endotronix

July 24, 2024 04:15 PM Eastern Daylight Time

IRVINE, Calif.--(BUSINESS WIRE)--Edwards Lifesciences (NYSE: EW) today announced investments that reflect the company's deep commitment to advancing patient care through structural heart innovation, addressing large unmet patient needs and supporting sustainable long-term growth.

Edwards has entered into an agreement to acquire **JenaValve Technology**, a pioneer in the transcatheter treatment of aortic regurgitation (AR), a deadly disease that impacts a significant and growing population and is largely untreated today. JenaValve presented positive results of its U.S. pivotal trial for the treatment of symptomatic, severe AR in high-risk patients late last year. As the pioneer in valve innovation for more than 60 years, Edwards believes it is uniquely positioned to lead this next frontier of aortic valve disease treatment. Edwards anticipates FDA approval of the JenaValve Trilogy Heart Valve System in late 2025, which will represent the first approved therapy for patients suffering from AR.

Building on an investment made in 2016, Edwards has exercised its option to acquire **Endotronix**, a leader in heart failure (HF) management solutions. Many structural heart patients Edwards serves today also suffer from HF with limited options. This acquisition will expand Edwards' structural heart portfolio into a new therapeutic area to address the large unmet needs of patients suffering from HF. Last month, Endotronix received FDA approval for Cordella, an implantable pulmonary artery pressure sensor allowing early, targeted therapeutic intervention. A CMS national coverage determination is expected in early 2025.



## CASE STUDY VALUATION MASTER CLASS

by

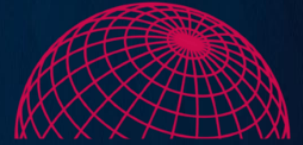
*A. Stotz*

INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**

# Recap: What is its competitive strategy?

- Edwards Lifesciences' competitive advantage stems from its strong innovation and substantial R&D investment
- Strategic acquisitions and long-term growth focus position Edwards to lead in the expanding global cardiovascular market



## CASE STUDY

VALUATION MASTER CLASS

by

*A. Stotz*

INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA



# Hidden med-tech powerhouse taking over!



## CASE STUDY

VALUATION MASTER CLASS

by

*A. Stoltz*

INVESTMENT  
RESEARCH

**This is not a recommendation  
or investment advice.**

- 🌐 What is this company's story?
- 🌐 What is the company's competitive strategy?
- 🌐 **Does that strategy lead to a competitive advantage?**
- 🌐 What does the valuation look like?



# I use my **World Class Benchmarking** scorecard to measure if a company has a **competitive advantage**



# I developed this scorecard ten years ago; here's how we construct it

---

- ★ My team gathers the yearly and quarterly financial data of 26,000 companies worldwide
- ★ We then calculate each company's **Profitable Growth** score
  - Which is a composite measure of both profitability and growth



## CASE STUDY VALUATION MASTER CLASS

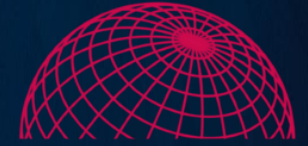
by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

# I developed this scorecard ten years ago; here's how we construct it

---

- ★ After that, we rank the company relative to sector peers of similar size
  - A decile ranking of 1 or 2 is financially world class, while 10 is the worst
- ★ We assess the company's performance over the prior four years and the past 12 months (PTM)



## CASE STUDY VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

**Is the company  
financially  
world class?**

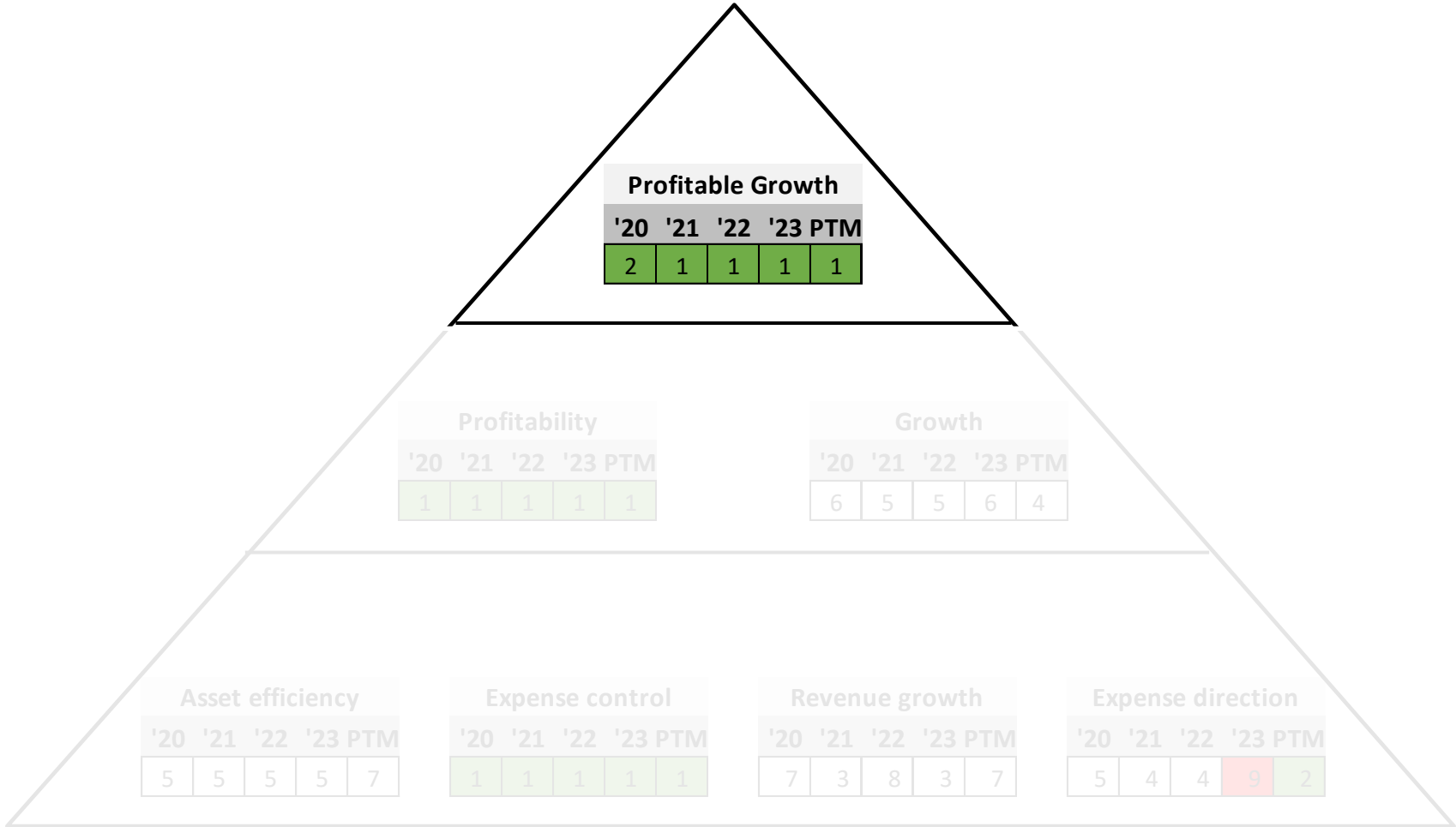


# In this video, you're gonna learn

---

- ★ Edwards' story, a hidden med-tech powerhouse!
- ★ The effectiveness of Edwards' competitive advantage
- ★ Edwards' attractiveness on my Global Stock Tracker

# EW: A. Stotz Profitable Growth



Benchmarked against 380 large Health Care companies worldwide.

**This is not a recommendation  
or investment advice.**

Sources: A. Stotz Investment Research. Notes: 1 = top ranking and 10 = worst. Most recent year's data is based on the past 12 months (PTM) of published data.



## CASE STUDY

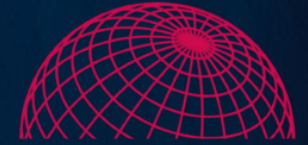
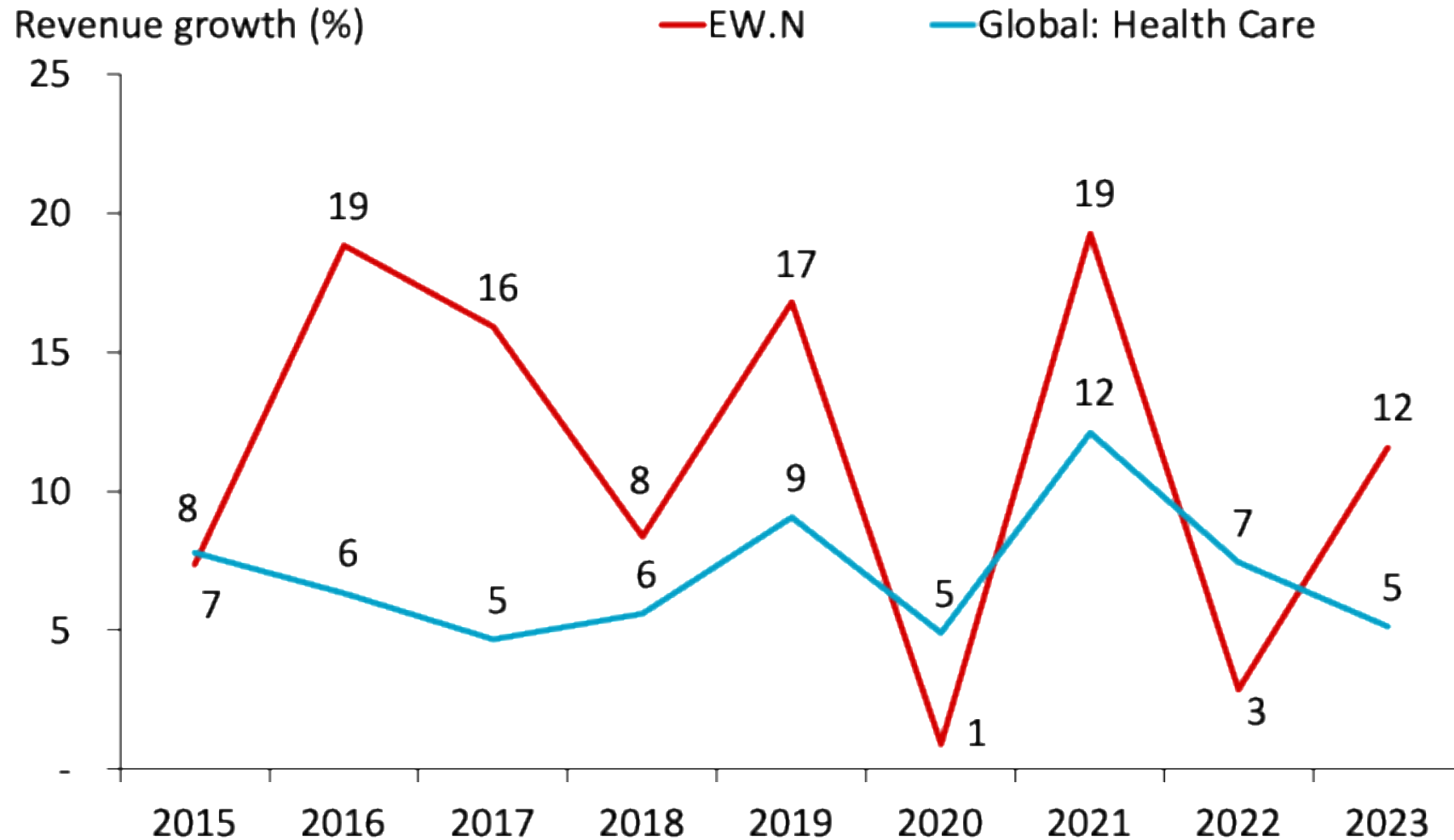
### VALUATION MASTER CLASS

by *A. Stotz* INVESTMENT RESEARCH

Andrew Stotz, PhD, CFA



# Revenue growth volatility, reflects Edwards' sensitivity to competition and product cycles



## CASE STUDY VALUATION MASTER CLASS

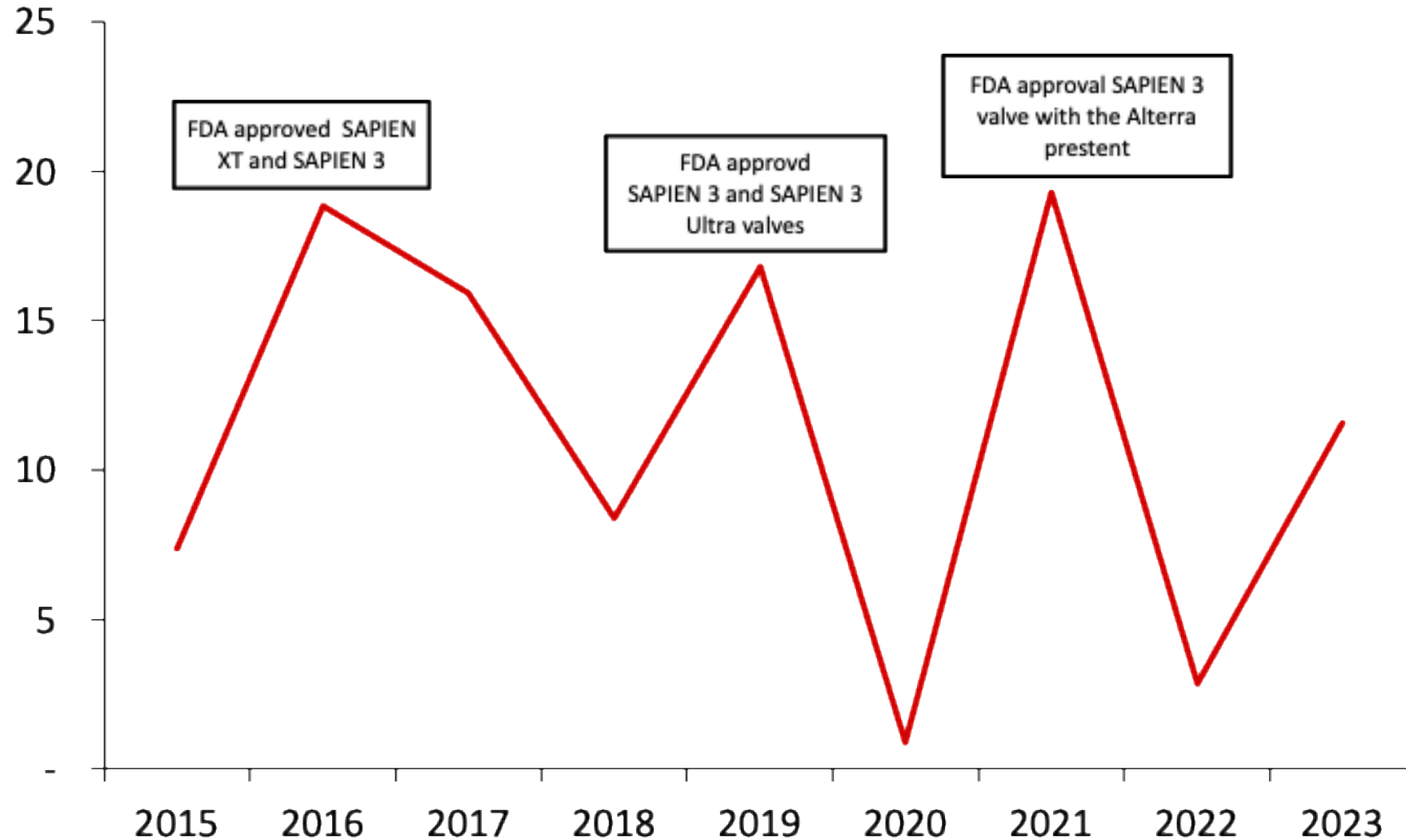
by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA



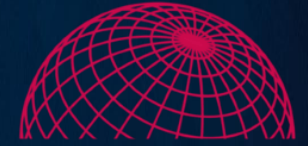
# Revenue spikes follow Edwards' product launches, lows reflect increased competition

Revenue growth (%)



**This is not a recommendation  
or investment advice.**

Sources: A. Stotz Investment Research, Refinitiv



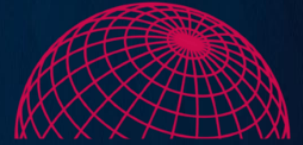
**CASE STUDY**  
VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**

# Recap: Does its strategy lead to a competitive advantage?

- Yes
- Edwards Lifesciences has shown consistent profitable growth according to our scorecard



## CASE STUDY

VALUATION MASTER CLASS

by

*A. Stotz*

INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA



# Hidden med-tech powerhouse taking over!



## CASE STUDY

VALUATION MASTER CLASS

by

*A. Stoltz*

INVESTMENT  
RESEARCH

**This is not a recommendation  
or investment advice.**

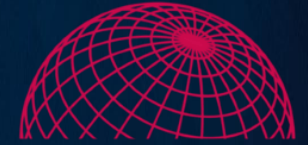
- 🌐 What is this company's story?
- 🌐 What is the company's competitive strategy?
- 🌐 Does that strategy lead to a competitive advantage?
- 🌐 **What does the valuation look like?**



# In this video, you're gonna learn

---

- ★ Edwards' story, a hidden med-tech powerhouse!
- ★ The effectiveness of Edwards' competitive advantage
- ★ Edwards' attractiveness on my **Global Stock Tracker**

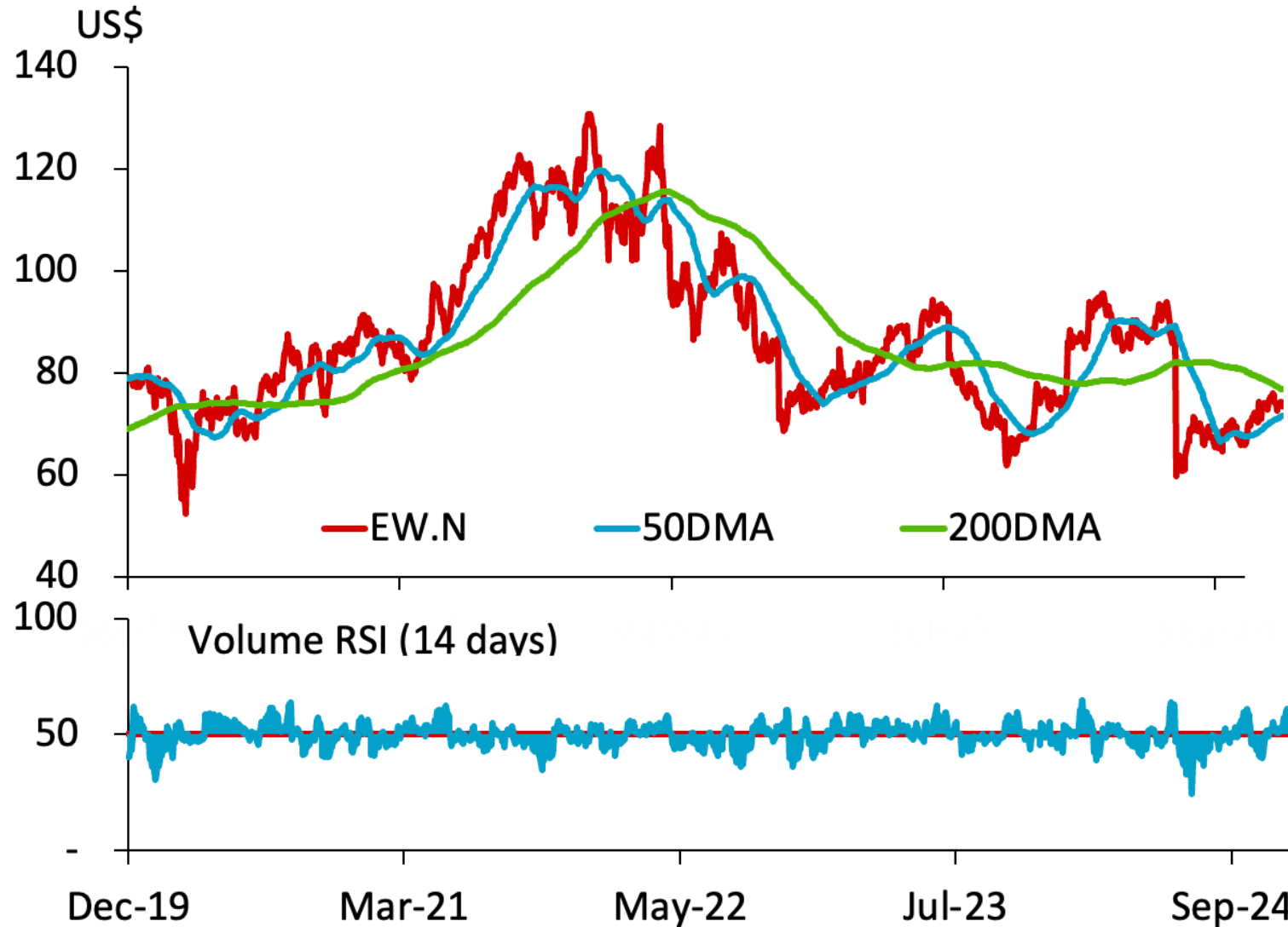


## **CASE STUDY** VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

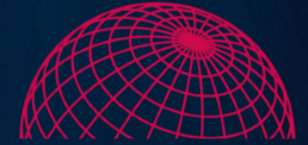
**Andrew Stotz, PhD, CFA**

# Edwards' share price today is at about the same level it was 5 years ago



**This is not a recommendation  
or investment advice.**

Sources: A. Stotz Investment Research, Refinitiv

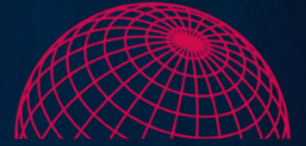


## **CASE STUDY** VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**

Let's apply my **Global Stock Tracker** to assess the attractiveness of the company



**CASE STUDY**

VALUATION MASTER CLASS

by

*A. Stotz*

INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA



# Global Stock Tracker - Fundamentals

Company	Mcap US\$bn	Fund. (%)		Valuation (x)		Momo (% chg)		Risk (x)	
		NPM	ROA	PE	PB	EPS	Price*	NDE	Beta*
<b>Health Care: Equip. &amp; Servs.</b>	<b>1,495</b>	<b>15.0</b>	<b>8.8</b>	<b>44.8</b>	<b>8.2</b>	<b>28.3</b>	<b>9.1</b>	<b>0.2</b>	<b>0.6</b>
Intuitive Surgical Inc	205	27.8	14.7	88.0	12.4	27.6	19.8	(0.4)	1.5
Boston Scientific Corp	151	11.3	5.1	84.1	7.3	48.3	22.8	0.4	0.7
EssilorLuxottica SA	125	10.8	4.6	41.3	2.9	17.1	19.0	0.3	0.4
Medtronic PLC	118	13.0	4.7	27.5	2.4	6.4	3.0	0.3	0.3
Cigna Group	84	1.3	2.0	27.7	2.0	(40.4)	(12.9)	0.5	(0.2)
Mckesson Corp	77	0.8	3.8	30.2	nm	(23.8)	23.5	(1.5)	0.5
Becton Dickinson and Co	72	8.4	3.2	42.4	2.8	14.5	3.1	0.6	0.1
CVS Health Corp	72	1.4	2.0	14.4	1.0	(40.8)	(6.6)	0.6	0.4
Siemens Healthineers AG	64	8.7	4.2	30.2	3.1	28.6	9.8	0.8	0.9
Cencora Inc	49	0.5	2.4	32.8	77.0	(12.0)	13.4	3.3	0.5
Hoya Corp	48	23.9	17.2	36.4	7.1	25.0	5.4	(0.5)	(0.1)
Alcon AG	46	11.9	3.9	39.3	2.1	157.9	0.6	0.2	0.5
Edwards Lifesciences Corp	43	23.4	15.9	10.3	4.5	12.1	9.0	(0.1)	0.5
GE Healthcare Technologies Inc	40	8.6	5.2	23.9	4.8	8.4	(4.6)	1.1	0.5
Resmed Inc	37	23.1	16.2	33.0	7.1	25.0	4.6	0.3	0.9
Dexcom Inc	35	17.2	10.7	50.7	17.4	85.5	31.3	(0.2)	0.8
IDEXX Laboratories Inc	34	22.5	27.3	39.5	21.2	5.8	(18.4)	0.5	1.6
Centene Corp	33	1.9	3.7	10.7	1.2	29.6	(13.2)	(0.0)	(0.0)
Cardinal Health Inc	31	0.6	2.8	24.5	nm	534.4	16.3	(0.2)	0.5
Terumo Corp	29	12.1	6.9	36.4	3.2	21.0	5.4	0.0	0.2

Source: A. Stotz Academy, \*Price change and beta over the past three months as of 28 January 2025

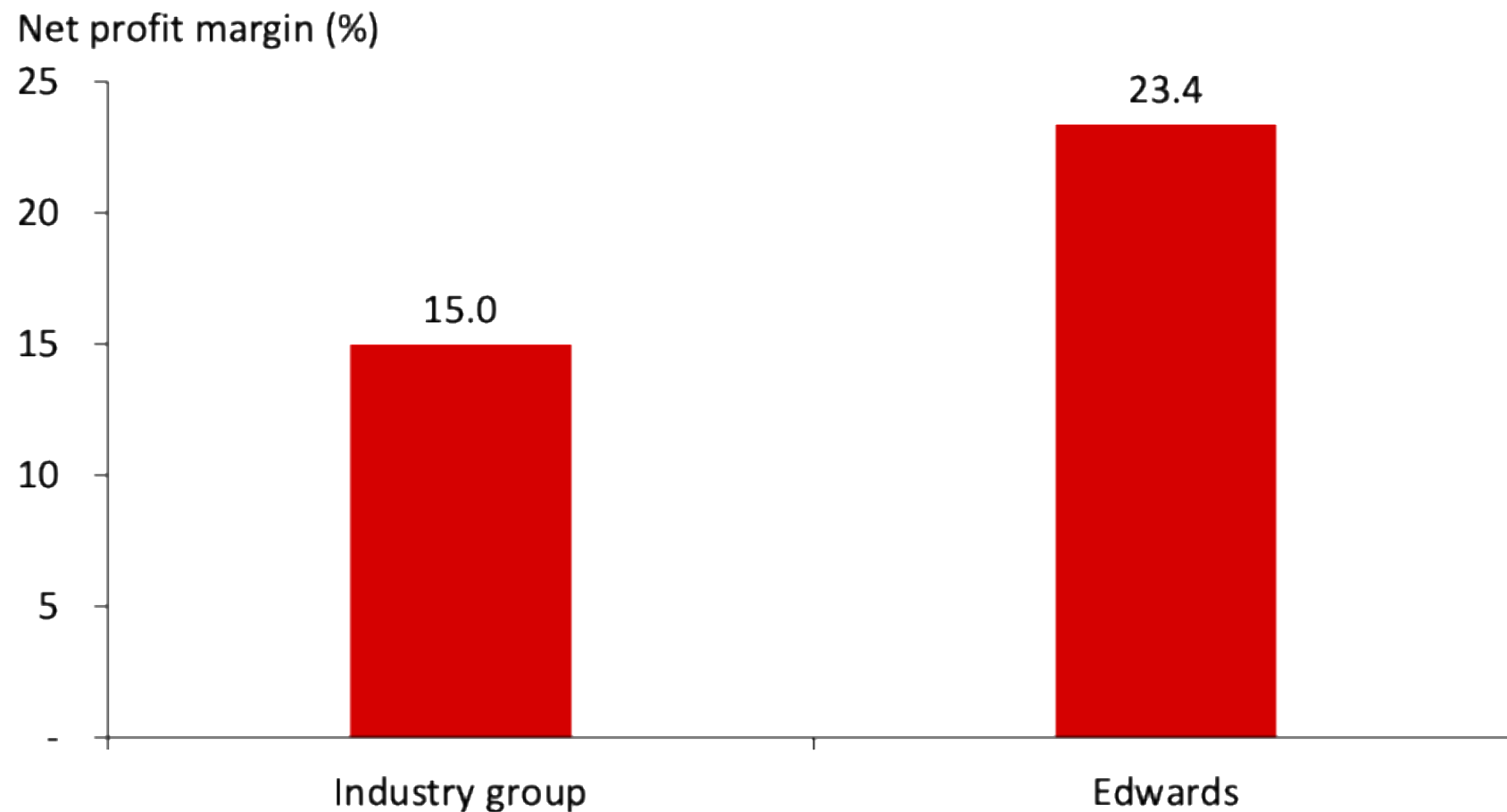


## CASE STUDY VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

# Above average net profit margin



## CASE STUDY

### VALUATION MASTER CLASS

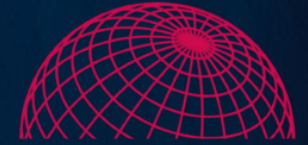
by  
*A. Stotz* INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**

# Medtronic and Abbott compete with Edwards are two of Edwards' main competitors

---

- ★ They compete with through advanced technologies and global reach
- ★ Medtronic is a global medical technology offering wide-ranging healthcare and cardiovascular solutions
- ★ Abbott is a diversified healthcare company competing with Edwards through its innovative heart valve technologies



## CASE STUDY

VALUATION MASTER CLASS

by

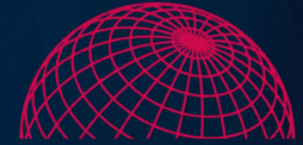
*A. Stotz*

INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**



# Edwards is way ahead of its competitors in terms of margins, which proves its efficiency



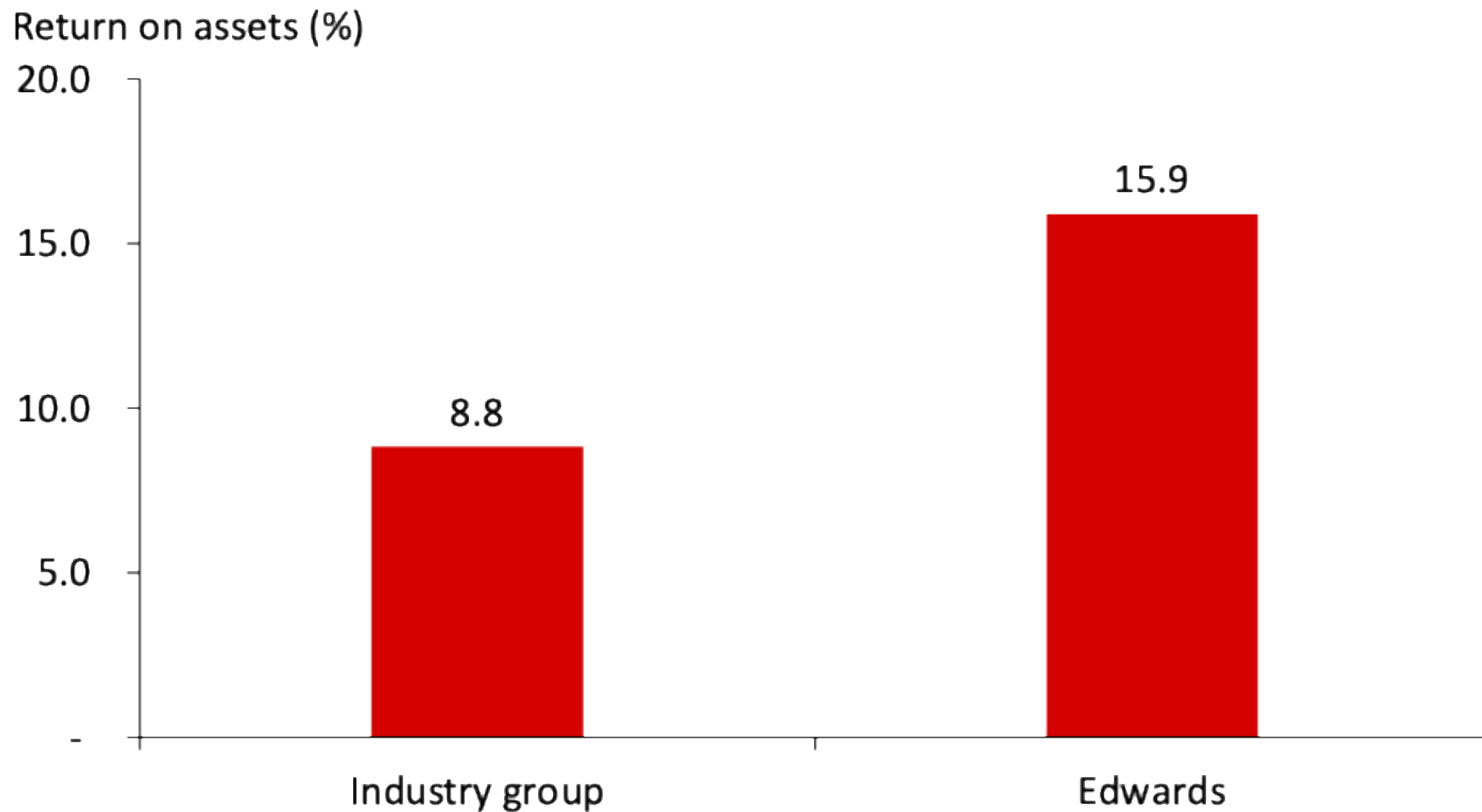
## CASE STUDY VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

	Edwards	Medtronic	Abbott
US\$bn	2023	2023	2023
Revenue	6.0	32.4	40.1
Net profit	1.4	3.7	5.7
<b>NPM(%)</b>	<b>23.4</b>	<b>11.4</b>	<b>14.2</b>

# Above average asset utilization keeps ROA strong



## CASE STUDY

VALUATION MASTER CLASS

by

*A. Stotz*

INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**

# Global Stock Tracker - Valuation

Company	Mcap US\$bn	Fund. (%)		Valuation (x)		Momo (% chg)		Risk (x)	
		NPM	ROA	PE	PB	EPS	Price*	NDE	Beta*
<b>Health Care: Equip. &amp; Servs.</b>	<b>1,495</b>	<b>15.0</b>	<b>8.8</b>	<b>44.8</b>	<b>8.2</b>	<b>28.3</b>	<b>9.1</b>	<b>0.2</b>	<b>0.6</b>
Intuitive Surgical Inc	205	27.8	14.7	88.0	12.4	27.6	19.8	(0.4)	1.5
Boston Scientific Corp	151	11.3	5.1	84.1	7.3	48.3	22.8	0.4	0.7
EssilorLuxottica SA	125	10.8	4.6	41.3	2.9	17.1	19.0	0.3	0.4
Medtronic PLC	118	13.0	4.7	27.5	2.4	6.4	3.0	0.3	0.3
Cigna Group	84	1.3	2.0	27.7	2.0	(40.4)	(12.9)	0.5	(0.2)
Mckesson Corp	77	0.8	3.8	30.2	nm	(23.8)	23.5	(1.5)	0.5
Becton Dickinson and Co	72	8.4	3.2	42.4	2.8	14.5	3.1	0.6	0.1
CVS Health Corp	72	1.4	2.0	14.4	1.0	(40.8)	(6.6)	0.6	0.4
Siemens Healthineers AG	64	8.7	4.2	30.2	3.1	28.6	9.8	0.8	0.9
Cencora Inc	49	0.5	2.4	32.8	77.0	(12.0)	13.4	3.3	0.5
Hoya Corp	48	23.9	17.2	36.4	7.1	25.0	5.4	(0.5)	(0.1)
Alcon AG	46	11.9	3.9	39.3	2.1	157.9	0.6	0.2	0.5
Edwards Lifesciences Corp	43	23.4	15.9	10.3	4.5	12.1	9.0	(0.1)	0.5
GE Healthcare Technologies Inc	40	8.6	5.2	23.9	4.8	8.4	(4.6)	1.1	0.5
Resmed Inc	37	23.1	16.2	33.0	7.1	25.0	4.6	0.3	0.9
Dexcom Inc	35	17.2	10.7	50.7	17.4	85.5	31.3	(0.2)	0.8
IDEXX Laboratories Inc	34	22.5	27.3	39.5	21.2	5.8	(18.4)	0.5	1.6
Centene Corp	33	1.9	3.7	10.7	1.2	29.6	(13.2)	(0.0)	(0.0)
Cardinal Health Inc	31	0.6	2.8	24.5	nm	534.4	16.3	(0.2)	0.5
Terumo Corp	29	12.1	6.9	36.4	3.2	21.0	5.4	0.0	0.2

Source: A. Stotz Academy, \*Price change and beta over the past three months as of 28 January 2025



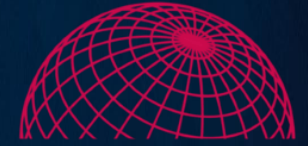
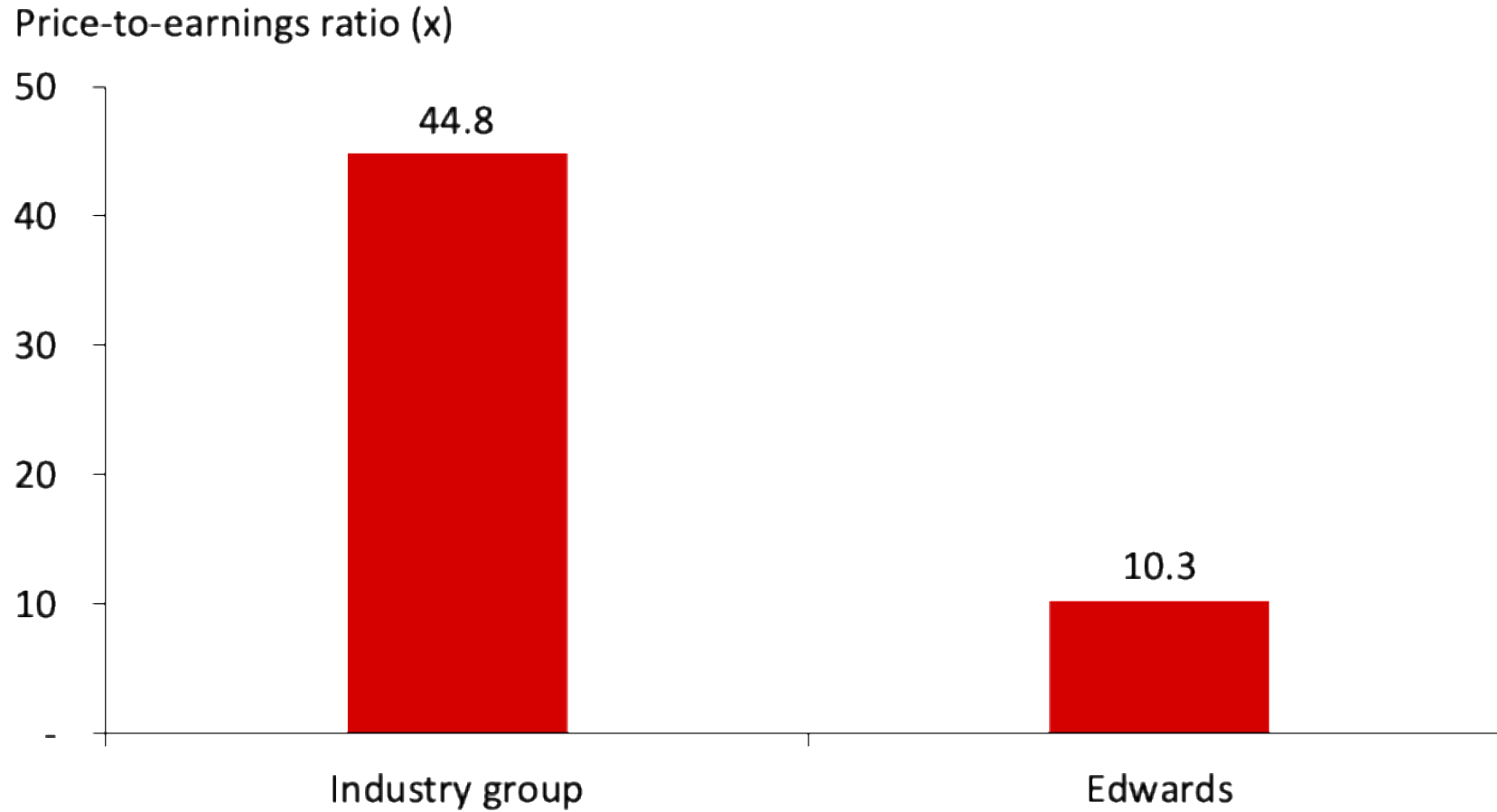
## CASE STUDY VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA



# PE is below the industry average; reflect stable revenue growth, lowering investor expectation



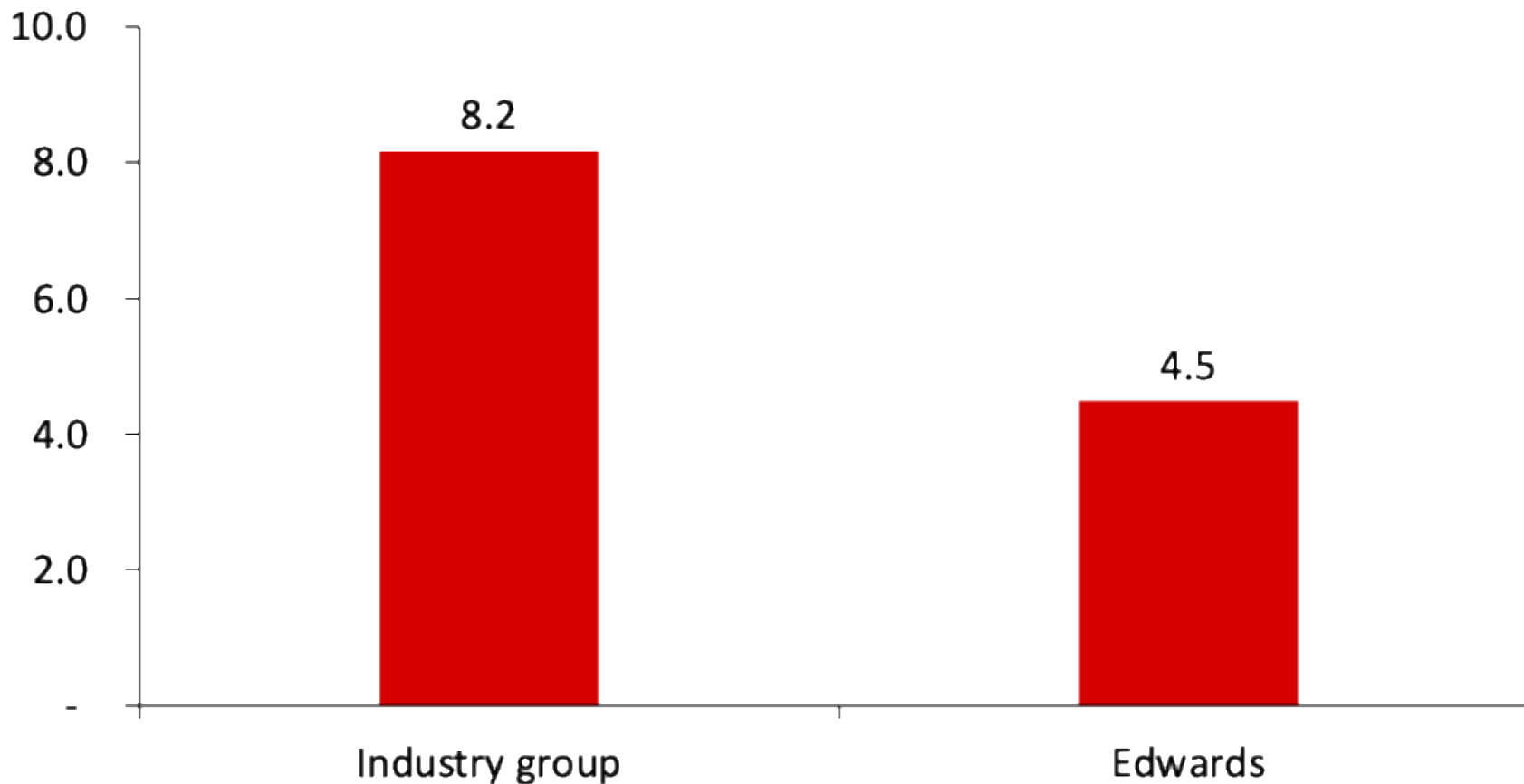
## CASE STUDY VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

# PB is below the industry average

Price-to-book value ratio (x)



## CASE STUDY VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

# Global Stock Tracker - Momentum

Company	Mcap US\$bn	Fund. (%)		Valuation (x)		Momo (% chg)		Risk (x)	
		NPM	ROA	PE	PB	EPS	Price*	NDE	Beta*
<b>Health Care: Equip. &amp; Servs.</b>	<b>1,495</b>	<b>15.0</b>	<b>8.8</b>	<b>44.8</b>	<b>8.2</b>	<b>28.3</b>	<b>9.1</b>	<b>0.2</b>	<b>0.6</b>
Intuitive Surgical Inc	205	27.8	14.7	88.0	12.4	27.6	19.8	(0.4)	1.5
Boston Scientific Corp	151	11.3	5.1	84.1	7.3	48.3	22.8	0.4	0.7
EssilorLuxottica SA	125	10.8	4.6	41.3	2.9	17.1	19.0	0.3	0.4
Medtronic PLC	118	13.0	4.7	27.5	2.4	6.4	3.0	0.3	0.3
Cigna Group	84	1.3	2.0	27.7	2.0	(40.4)	(12.9)	0.5	(0.2)
Mckesson Corp	77	0.8	3.8	30.2	nm	(23.8)	23.5	(1.5)	0.5
Becton Dickinson and Co	72	8.4	3.2	42.4	2.8	14.5	3.1	0.6	0.1
CVS Health Corp	72	1.4	2.0	14.4	1.0	(40.8)	(6.6)	0.6	0.4
Siemens Healthineers AG	64	8.7	4.2	30.2	3.1	28.6	9.8	0.8	0.9
Cencora Inc	49	0.5	2.4	32.8	77.0	(12.0)	13.4	3.3	0.5
Hoya Corp	48	23.9	17.2	36.4	7.1	25.0	5.4	(0.5)	(0.1)
Alcon AG	46	11.9	3.9	39.3	2.1	157.9	0.6	0.2	0.5
Edwards Lifesciences Corp	43	23.4	15.9	10.3	4.5	12.1	9.0	(0.1)	0.5
GE Healthcare Technologies Inc	40	8.6	5.2	23.9	4.8	8.4	(4.6)	1.1	0.5
Resmed Inc	37	23.1	16.2	33.0	7.1	25.0	4.6	0.3	0.9
Dexcom Inc	35	17.2	10.7	50.7	17.4	85.5	31.3	(0.2)	0.8
IDEXX Laboratories Inc	34	22.5	27.3	39.5	21.2	5.8	(18.4)	0.5	1.6
Centene Corp	33	1.9	3.7	10.7	1.2	29.6	(13.2)	(0.0)	(0.0)
Cardinal Health Inc	31	0.6	2.8	24.5	nm	534.4	16.3	(0.2)	0.5
Terumo Corp	29	12.1	6.9	36.4	3.2	21.0	5.4	0.0	0.2

Source: A. Stotz Academy, \*Price change and beta over the past three months as of 28 January 2025



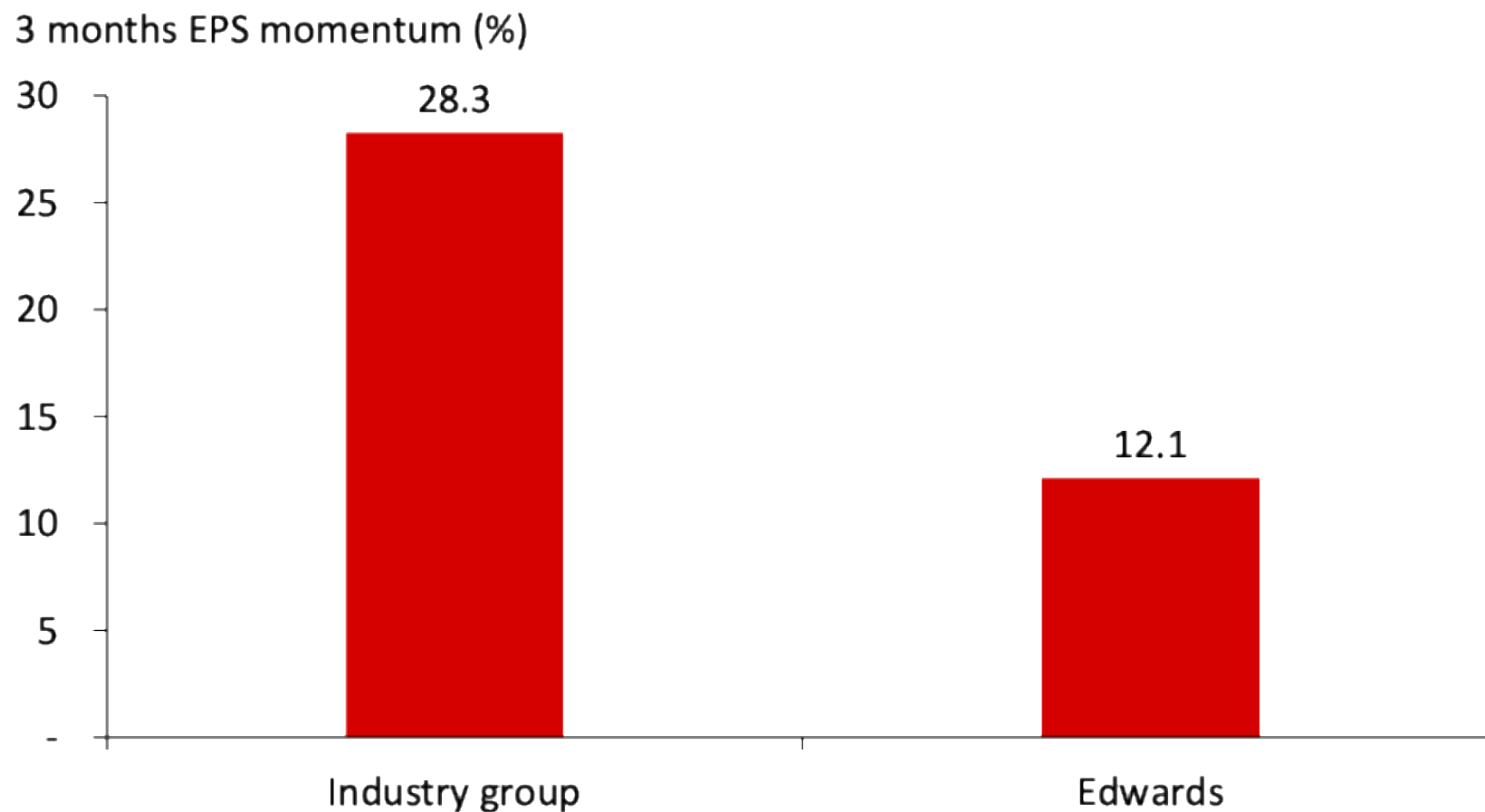
## CASE STUDY VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

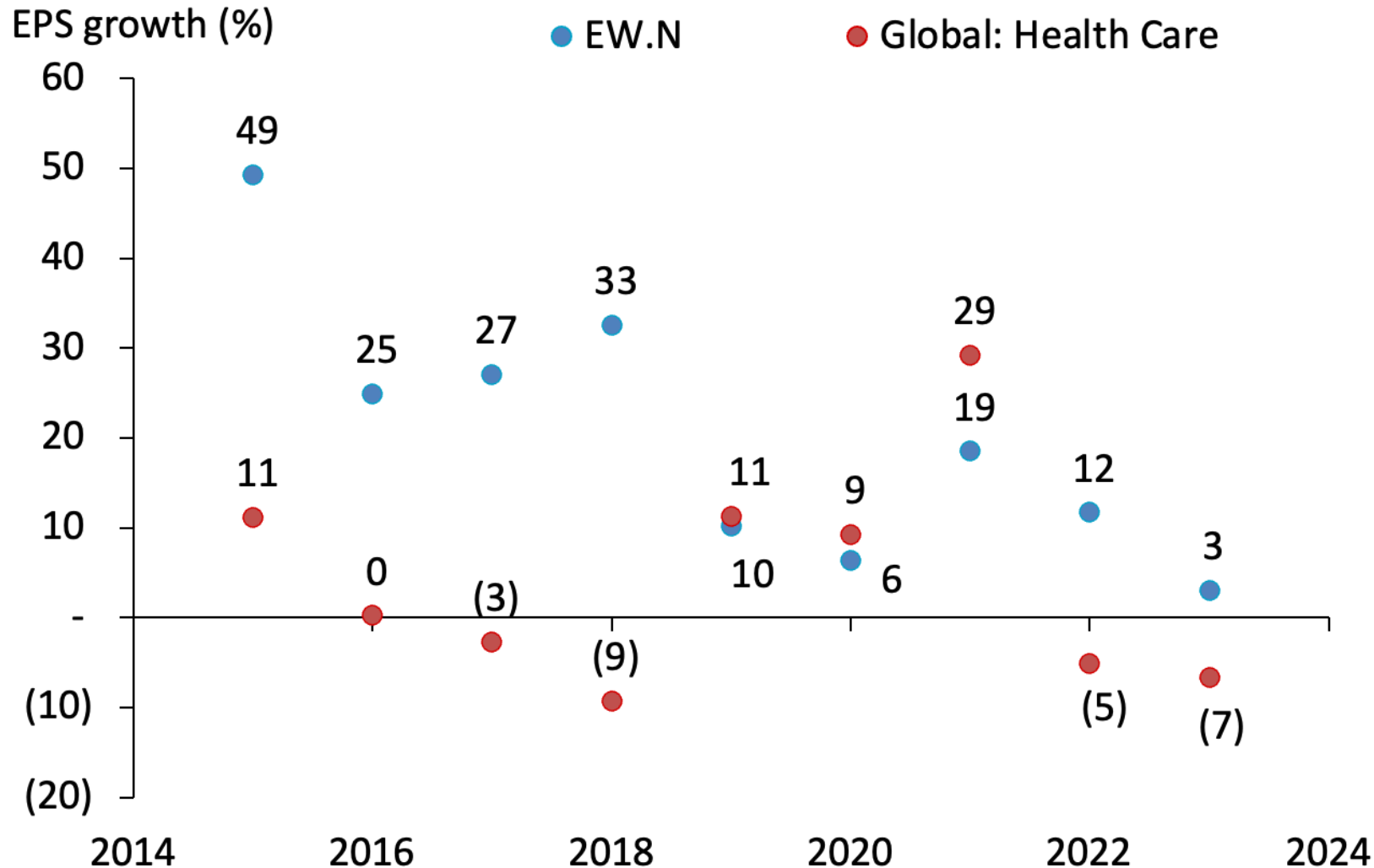
Andrew Stotz, PhD, CFA



# Below average earnings momentum



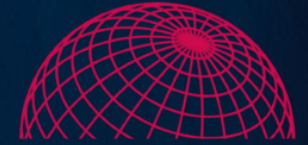
# The EPS CAGR from 2015 to 2023 was 22% p.a., surpassing the global sector average by 18 ppts



# Edwards 4Q24 Summary

---

- ★ Global sales grew 9% QoQ
- ★ Operating profit down by 17% QoQ
- ★ US\$3bn in cash provides flexibility to invest in R&D, acquisitions, and growth opportunities
- ★ Edwards expecting asymptomatic TAVR indication approval in the US



## CASE STUDY VALUATION MASTER CLASS

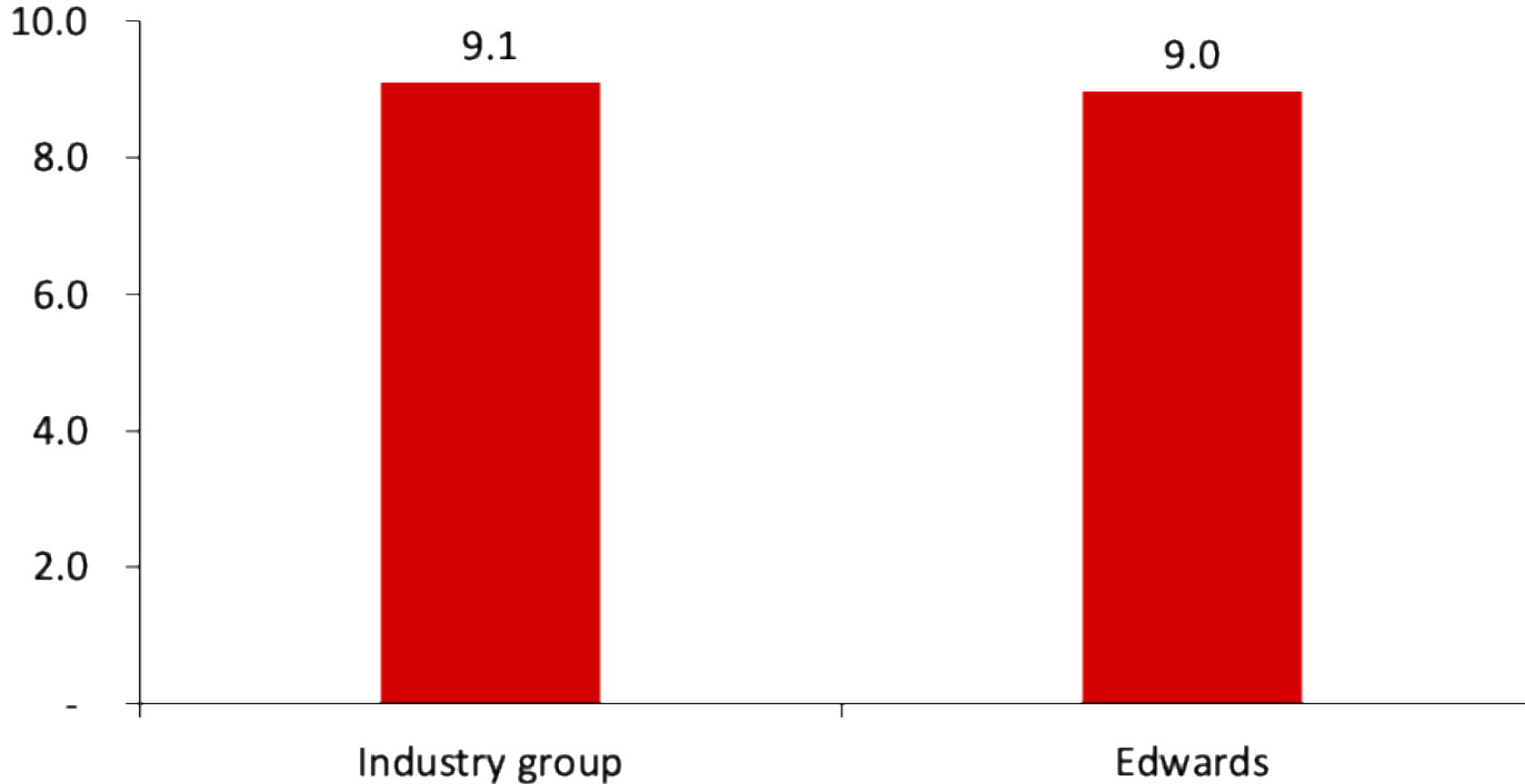
by  
*A. Stotz* INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**



# Price momentum in line with the industry, market is not buying the turnaround yet

3 month price momentum (%)



## CASE STUDY VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

Andrew Stotz, PhD, CFA

# Global Stock Tracker - Risk

Company	Mcap US\$bn	Fund. (%)		Valuation (x)		Momo (% chg)		Risk (x)	
		NPM	ROA	PE	PB	EPS	Price*	NDE	Beta*
<b>Health Care: Equip. &amp; Servs.</b>	<b>1,495</b>	<b>15.0</b>	<b>8.8</b>	<b>44.8</b>	<b>8.2</b>	<b>28.3</b>	<b>9.1</b>	<b>0.2</b>	<b>0.6</b>
Intuitive Surgical Inc	205	27.8	14.7	88.0	12.4	27.6	19.8	(0.4)	1.5
Boston Scientific Corp	151	11.3	5.1	84.1	7.3	48.3	22.8	0.4	0.7
EssilorLuxottica SA	125	10.8	4.6	41.3	2.9	17.1	19.0	0.3	0.4
Medtronic PLC	118	13.0	4.7	27.5	2.4	6.4	3.0	0.3	0.3
Cigna Group	84	1.3	2.0	27.7	2.0	(40.4)	(12.9)	0.5	(0.2)
Mckesson Corp	77	0.8	3.8	30.2	nm	(23.8)	23.5	(1.5)	0.5
Becton Dickinson and Co	72	8.4	3.2	42.4	2.8	14.5	3.1	0.6	0.1
CVS Health Corp	72	1.4	2.0	14.4	1.0	(40.8)	(6.6)	0.6	0.4
Siemens Healthineers AG	64	8.7	4.2	30.2	3.1	28.6	9.8	0.8	0.9
Cencora Inc	49	0.5	2.4	32.8	77.0	(12.0)	13.4	3.3	0.5
Hoya Corp	48	23.9	17.2	36.4	7.1	25.0	5.4	(0.5)	(0.1)
Alcon AG	46	11.9	3.9	39.3	2.1	157.9	0.6	0.2	0.5
Edwards Lifesciences Corp	43	23.4	15.9	10.3	4.5	12.1	9.0	(0.1)	0.5
GE Healthcare Technologies Inc	40	8.6	5.2	23.9	4.8	8.4	(4.6)	1.1	0.5
Resmed Inc	37	23.1	16.2	33.0	7.1	25.0	4.6	0.3	0.9
Dexcom Inc	35	17.2	10.7	50.7	17.4	85.5	31.3	(0.2)	0.8
IDEXX Laboratories Inc	34	22.5	27.3	39.5	21.2	5.8	(18.4)	0.5	1.6
Centene Corp	33	1.9	3.7	10.7	1.2	29.6	(13.2)	(0.0)	(0.0)
Cardinal Health Inc	31	0.6	2.8	24.5	nm	534.4	16.3	(0.2)	0.5
Terumo Corp	29	12.1	6.9	36.4	3.2	21.0	5.4	0.0	0.2

Source: A. Stotz Academy, \*Price change and beta over the past three months as of 28 January 2025

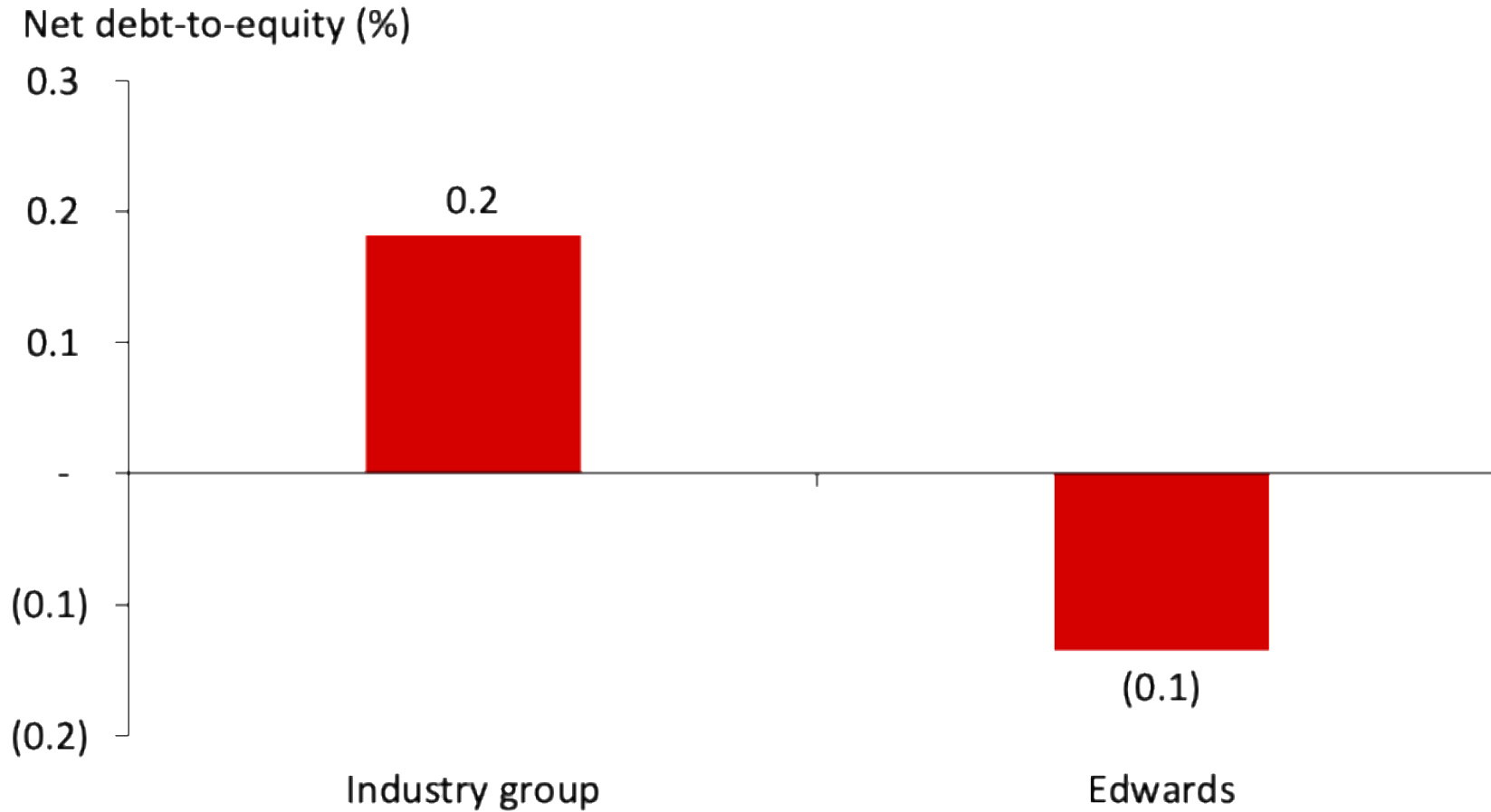


## CASE STUDY VALUATION MASTER CLASS

by  
*A. Stotz* INVESTMENT  
RESEARCH

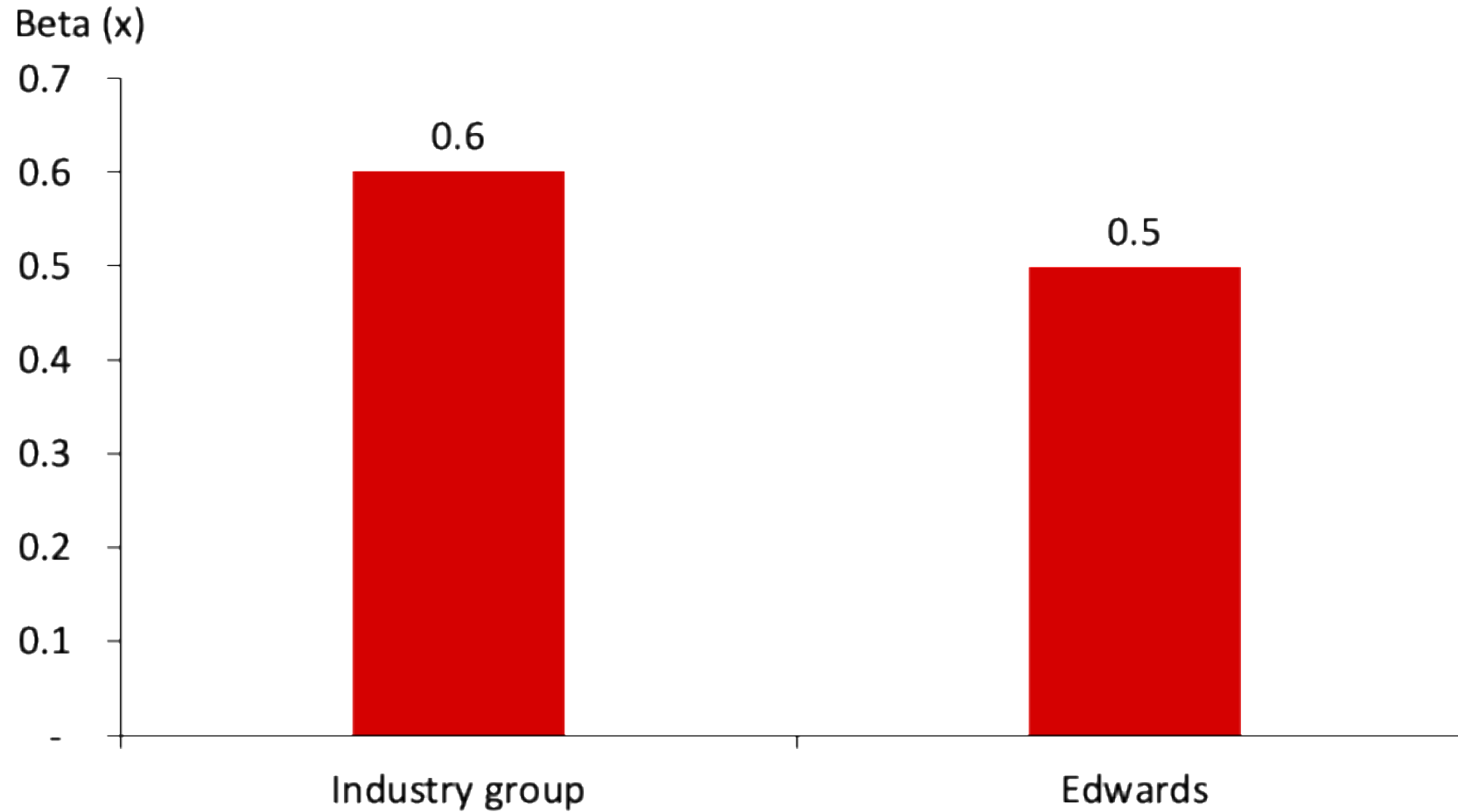
Andrew Stotz, PhD, CFA

# Debt finances only 4.6% of assets, ensuring financial flexibility and low leverage





# Steady business produces a low beta, for comparison, Medtronic is 0.4x



# Remember to...

---

- ★ ...click the link in the description to get this presentation and my Global Stock Tracker of the top 500 companies for free!



## **CASE STUDY** VALUATION MASTER CLASS

by

*A. Stotz* INVESTMENT  
RESEARCH

**Andrew Stotz, PhD, CFA**