

Out[1]: Click here to toggle on/off the raw code.

Analysis: Inmode

Ticker Symbol: INMD
 Last Update Date: 2021-08-31

1. Business Overview

From Yahoo Finance: INMD

Our engineers are working quickly to resolve the issue.

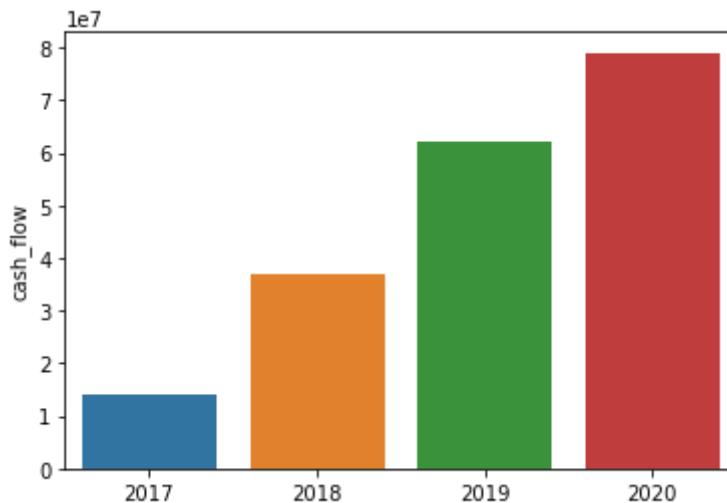
2. Discounted Cash Flow Model

Steps:

1. Estimate the cashflow for the next 5-10 years (may have to use revenue projections + net margin estimations) 1.1 Opportunity to use analysts estimates as upper and lower boundaries or previous net margin and revenue growths
2. Discount the cashflows to their present value using 10%
3. Assume a perpetuity growth rate (usually 3-3.5%)
4. Add the discounted value of cashflows to the terminal value (value obtained from the perpetuity rate) to obtain a market capitalization for the company
5. Come up with a fair price by dividing by the number of shares outstanding (take into account future dilution)
6. Come up with an adjusted fair price by subtracting the company's net debt from the market capitalization (net debt = total debt - cash and cash equivalent). If the net debt is higher than 0, then put nothing.

<http://financials.morningstar.com/ratios/r.html?t=inmd®ion=usa&culture=en-US&ownerCountry=USA> (<http://financials.morningstar.com/ratios/r.html?t=inmd®ion=usa&culture=en-US&ownerCountry=USA>)

	cash_flow
2017	14000000
2018	37000000
2019	62000000
2020	79000000



The growth rate that will be used 1.27

Discounted Cash flow in 2022 is : \$94,075,972.00\$
 Discounted Cash flow in 2023 is : \$112,028,969.00\$
 Discounted Cash flow in 2024 is : \$133,408,027.00\$
 Discounted Cash flow in 2025 is : \$158,866,960.00\$

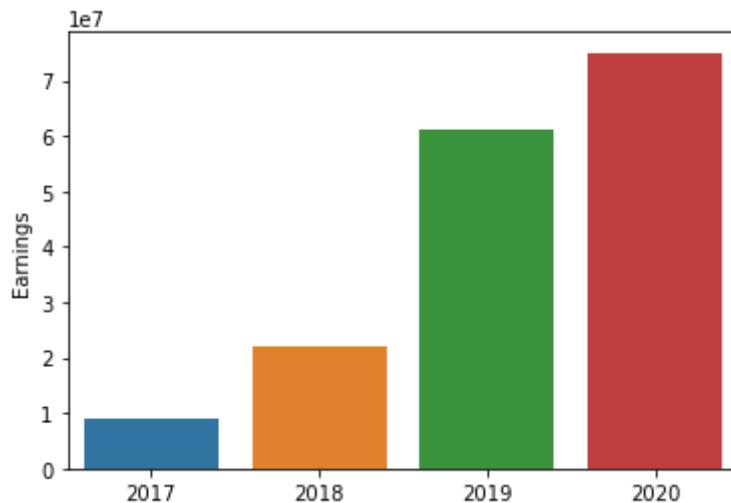
Fair price as of Today 115\$
 Share price at Horizon 150\$

3. P/E Ratio Model

Steps:

1. Come up with some estimations of the earnings for the next 5-10 years (may use revenue projections + a net margin)
2. Assume a P/E ratio
3. Get a market capitalizatoin
4. Divide by the number of outstanding shares
5. discount the share price by a factor of 10% and you get the adjusted fair price today
6. Take into account a margin of safety

Earnings	
2017	9000000
2018	22000000
2019	61000000
2020	75000000



The growth rate that will be used 1.23

Discounted Cash flow in 2022 is : \$86,180,481.00\$
Discounted Cash flow in 2023 is : \$99,027,670.00\$
Discounted Cash flow in 2024 is : \$113,790,030.00\$
Discounted Cash flow in 2025 is : \$130,753,061.00\$
Discounted Cash flow in 2026 is : \$150,244,823.00\$

The fair price today is 126\$

4. Position

Average purchase price: 95USD