

ModernGraham Valuation

Company Name:

Snc-Lavalin Group Inc

Company Ticker TSE:SNC

Date of Analysis

2/3/2017



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	\$8,487,790,925	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.04	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	156.75%	Pass
6. Moderate PEmg Ratio	PEmg < 20	16.31	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.27	Pass

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	1.04	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.88	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		Pass
	Score		

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.45
MG Growth Estimate	6.45%
MG Value	\$73.87
MG Value based on 3% Growth	\$50.06
MG Value based on 0% Growth	\$29.35
Market Implied Growth Rate	3.90%

MG Opinion

Current Price	\$56.30
% of Intrinsic Value	76.21%
Opinion	Fairly Valued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$8.39
Graham Number	\$37.17
PEmg	16.31
Current Ratio	1.04
PB Ratio	2.27
Current Dividend	\$1.03
Dividend Yield	1.83%
Number of Consecutive Years of Dividend Growth	17

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	\$2.47	Next Fiscal Year Estimate	\$3.45
Dec2015	\$2.68	Dec2015	\$3.71
Dec2014	\$8.74	Dec2014	\$3.92
Dec2013	\$0.24	Dec2013	\$1.69
Dec2012	\$2.02	Dec2012	\$2.41
Dec2011	\$2.49	Dec2011	\$2.48
Dec2010	\$3.13	Dec2010	\$2.29
Dec2009	\$2.36	Dec2009	\$1.73
Dec2008	\$2.05	Dec2008	\$1.29
Dec2007	\$1.00	Dec2007	\$0.85
Dec2006	\$1.04	Dec2006	\$0.78
Dec2005	\$0.85	Dec2005	\$0.64
Dec2004	\$0.23	Dec2004	\$0.52
Dec2003	\$0.56	Dec2003	\$0.61
Dec2002	\$1.32	Dec2002	\$0.58
Dec2001	\$0.18	Dec2001	\$0.21
Dec2000	\$0.17	Dec2000	\$0.24
Dec1999	\$0.25	Balance Sheet Information	9/1/2016
Dec1998	\$0.31	Total Current Assets	\$4,246,001,000
Dec1997	\$0.27	Total Current Liabilities	\$4,077,635,000
Dec1996	\$0.25	Long-Term Debt	\$821,433,000
		Total Assets	\$9,244,134,000
		Intangible Assets	\$3,348,765,000
		Total Liabilities	\$5,507,489,000
		Shares Outstanding (Diluted Average)	150,442,000





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.

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#N/A

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- [PulteGroup Inc Valuation – July 2016 \\$PHM](#)
- [Sherwin-Williams Co Valuation – July 2016 \\$SHW](#)
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