

# ModernGraham Valuation

Company Name:

Sierra Wireless, Inc.

Company Ticker TSE:SW

Date of Analysis

3/10/2017



## 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	\$1,186,497,752	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.70	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	158.68%	Pass
6. Moderate PEmg Ratio	PEmg < 20	65.62	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.48	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	1.70	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.56
MG Growth Estimate	1.21%
<b>MG Value</b>	<b>\$6.16</b>
MG Value based on 3% Growth	\$8.18
MG Value based on 0% Growth	\$4.80
Market Implied Growth Rate	28.56%

### MG Opinion

Current Price	\$37.02
% of Intrinsic Value	601.32%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.18
Graham Number	\$19.44
PEmg	65.62
Current Ratio	1.70
PB Ratio	2.48
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### 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	\$1.11	Next Fiscal Year Estimate	\$0.56
Dec2016	\$0.64	Dec2016	\$0.37
Dec2015	-\$0.11	Dec2015	\$0.23
Dec2014	-\$0.61	Dec2014	\$0.32
Dec2013	\$1.90	Dec2013	\$0.52
Dec2012	\$0.87	Dec2012	-\$0.08
Dec2011	-\$0.96	Dec2011	-\$0.31
Dec2010	-\$0.47	Dec2010	\$0.16
Dec2009	-\$1.36	Dec2009	\$0.38
Dec2008	\$2.47	Dec2008	\$1.07
Dec2007	\$1.16	Dec2007	\$0.34
Dec2006	\$0.44	Dec2006	-\$0.31
Dec2005	-\$1.67	Dec2005	-\$0.90
Dec2004	\$1.17	Dec2004	-\$0.70
Dec2003	\$0.16	Dec2003	-\$1.50
Dec2002	-\$3.99	Dec2002	-\$1.97
Dec2001	-\$2.37	Dec2001	-\$0.78
Dec2000	-\$0.30	<b>Balance Sheet Information</b>	<b>12/1/2016</b>
Dec1999	\$0.34	Total Current Assets	\$392,174,000
Dec1998	\$0.15	Total Current Liabilities	\$230,443,000
Dec1997	\$0.00	Long-Term Debt	\$0
		Total Assets	\$771,587,000
		Intangible Assets	\$305,425,000
		Total Liabilities	\$289,282,000
		Shares Outstanding (Diluted Average)	32,367,000





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

[Windstream Holdings Inc Valuation – August 2016 \\$WIN](#)

[Verizon Communications Inc Valuation – July 2016 \\$VZ](#)

[AT&T Inc Valuation – July 2016 \\$T](#)

[Harris Corporation Valuation – February 2016 \\$HRS](#)

[CenturyLink Inc Valuation – February 2016 \\$CTL](#)

[Frontier Communications Corp Valuation – November 2015 Update \\$FTR](#)

[Harris Corporation Analysis – September 2015 Update \\$HRS](#)

[Arris Group Inc. Analysis – Initial Coverage \\$ARRS](#)

[Level 3 Communications Inc. Analysis – Initial Coverage \\$LVT](#)

[Windstream Holdings Analysis – 2015 Update \\$WIN](#)