

# ModernGraham Valuation

Company Name:

Ciena Corporation

Company Ticker

CIEN

Date of Analysis

12/28/2016



## 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	\$3,467,044,138	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.26	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-123.08%	Fail
5. Earnings Growth	PEmg < 20	42.10	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.80	Fail
7. Moderate Price to Assets			

*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	2.26	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.91	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

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.58
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$22.33</b>
MG Value based on 3% Growth	\$8.41
MG Value based on 0% Growth	\$4.93
Market Implied Growth Rate	16.80%

### MG Opinion

Current Price	\$24.42
% of Intrinsic Value	109.36%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>D</b>

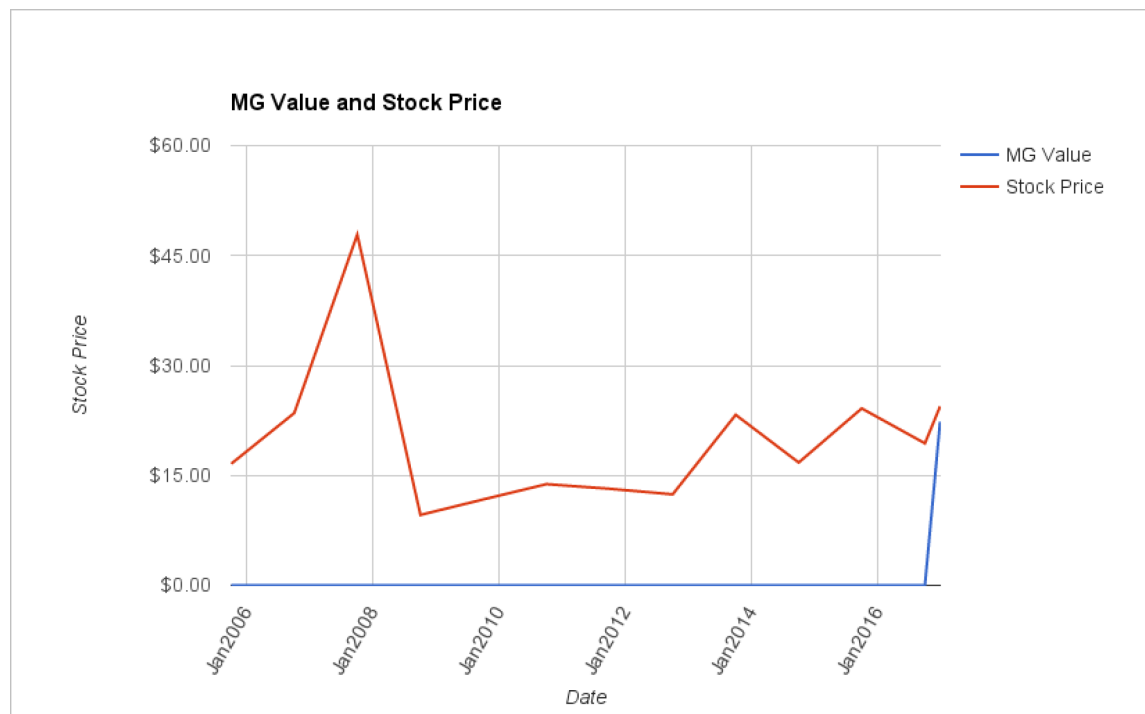
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$0.68
Graham Number	\$14.01
PEmg	42.10
Current Ratio	2.26
PB Ratio	4.80
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		Next Fiscal Year Estimate	
	\$1.59		\$0.58
Oct2016	\$0.51	Oct2016	-\$0.09
Oct2015	\$0.10	Oct2015	-\$0.56
Oct2014	-\$0.38	Oct2014	-\$1.15
Oct2013	-\$0.83	Oct2013	-\$1.97
Oct2012	-\$1.45	Oct2012	-\$2.56
Oct2011	-\$2.04	Oct2011	-\$2.79
Oct2010	-\$3.58	Oct2010	-\$2.69
Oct2009	-\$6.37	Oct2009	-\$2.19
Oct2008	\$0.42	Oct2008	-\$1.04
Oct2007	\$0.87	Oct2007	-\$2.58
Oct2006	\$0.01	Oct2006	-\$6.37
Oct2005	-\$5.30	Oct2005	-\$12.56
Oct2004	-\$10.57	Oct2004	-\$16.50
Oct2003	-\$6.09	Oct2003	-\$17.98
Oct2002	-\$30.58	Oct2002	-\$20.47
Oct2001	-\$40.24	Oct2001	-\$12.49
Oct2000	\$1.89	<b>Balance Sheet Information 10/1/2016</b>	
Oct1999	-\$0.07	Total Current Assets	\$2,013,192,000
Oct1998	\$1.26	Total Current Liabilities	\$891,862,000
Oct1997	\$3.92	Long-Term Debt	\$1,025,991,000
		Total Assets	\$2,882,442,000
		Intangible Assets	\$413,685,000
		Total Liabilities	\$2,116,101,000
		Shares Outstanding (Diluted Average)	150,704,000





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

[ScanSource Inc Valuation – Initial Coverage \\$SCSC](#)  
[Cognex Corporation Valuation – Initial Coverage \\$CGNX](#)  
[AMETEK Inc Valuation – December 2016 \\$AME](#)  
[Ingram Micro Inc Valuation – Initial Coverage \\$IM](#)  
[Sanmina Corp Valuation – Initial Coverage \\$SANM](#)  
[Qorvo Inc Valuation – December 2016 Update \\$QRVO](#)  
[IIVI Inc Valuation – Initial Coverage \\$IIVI](#)  
[CEVA Inc Valuation – Initial Coverage \\$CEVA](#)  
[NetApp Inc Valuation – August 2016 \\$NTAP](#)  
[Applied Materials Inc Valuation – August 2016 \\$AMAT](#)