

# ModernGraham Valuation



Science Applications  
International Corp

## Company Name:

Company Ticker SAIC

Date of Analysis

12/3/2016

## 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	\$3,507,431,445	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.34	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	591.06%	Pass
6. Moderate PEmg Ratio	PEmg < 20	28.70	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	10.28	Fail

*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	1.34	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.22	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

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.83
MG Growth Estimate	0.78%
<b>MG Value</b>	<b>\$28.43</b>
MG Value based on 3% Growth	\$41.00
MG Value based on 0% Growth	\$24.03
Market Implied Growth Rate	10.10%

### MG Opinion

Current Price	\$81.15
% of Intrinsic Value	285.45%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$17.17
Graham Number	\$24.07
PEmg	28.70
Current Ratio	1.34
PB Ratio	10.28
Current Dividend	\$1.24
Dividend Yield	1.53%
Number of Consecutive Years of Dividend Growth	4

### Useful Links:

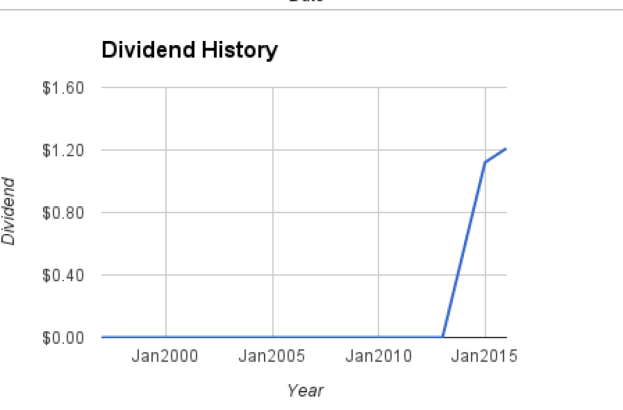
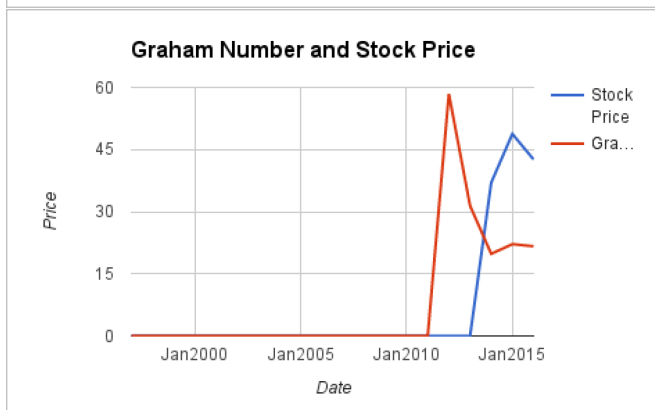
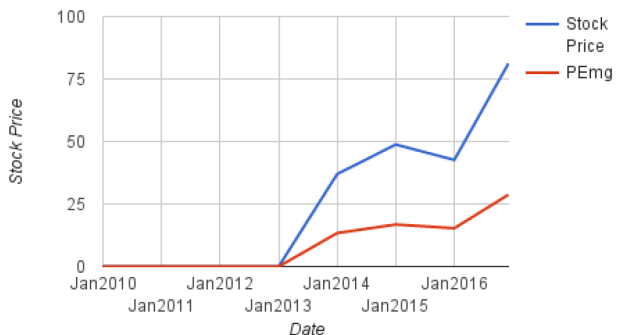
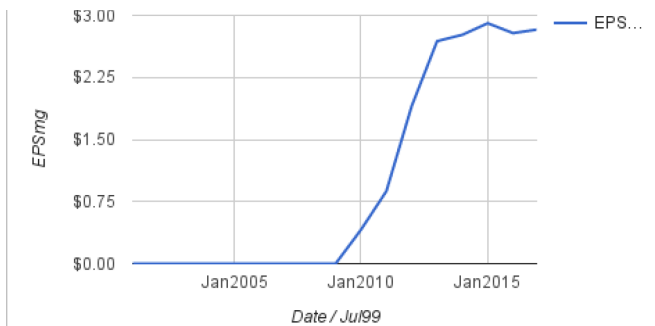
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.12	Next Fiscal Year Estimate	\$2.83
Jan2016	\$2.47	Jan2016	\$2.79
Jan2015	\$2.91	Jan2015	\$2.90
Jan2014	\$2.27	Jan2014	\$2.77
Jan2013	\$3.66	Jan2013	\$2.69
Jan2012	\$3.66	Jan2012	\$1.90
Jan2011	\$1.64	Jan2011	\$0.87
Jan2010	\$1.23	Jan2010	\$0.41
Jan2009	\$0.00	Jan2009	\$0.00
Jan2008	\$0.00	Jan2008	\$0.00
Jan2007	\$0.00	Jan2007	\$0.00
Jan2006	\$0.00	Jan2006	\$0.00
Jan2005	\$0.00	Jan2005	\$0.00
Jan2004	\$0.00	Jan2004	\$0.00
Jan2003	\$0.00	Jan2003	\$0.00
Jan2002	\$0.00	Jan2002	\$0.00
Jan2001	\$0.00	Jan2001	\$0.00
Jan2000	\$0.00	<b>Balance Sheet Information 7/16/2016</b>	
Jan1999	\$0.00	Total Current Assets	\$914,000,000
Jan1998	\$0.00	Total Current Liabilities	\$681,000,000
Jan1997	\$0.00	Long-Term Debt	\$984,000,000
		Total Assets	\$2,067,000,000
		Intangible Assets	\$1,073,000,000
		Total Liabilities	\$1,704,000,000
		Shares Outstanding (Diluted Average)	46,000,000



EPSmg

Price and PEmg



**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
- [ACI Worldwide Inc Valuation – November 2016 \\$ACIW](#)
  - [Equinix Inc Valuation – August 2016 \\$EQIX](#)
  - [Qualcomm Inc Valuation – August 2016 \\$QCOM](#)
  - [Verisign Inc Valuation – August 2016 \\$VRSN](#)
  - [Akamai Technologies Inc Valuation – August 2016 \\$AKAM](#)
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  - [F5 Networks Inc Valuation – July 2016 \\$FFIV](#)
  - [Computer Sciences Corp Valuation – July 2016 \\$CSC](#)
  - [Infosys Ltd Valuation – July 2016 \\$INFY](#)
  - [Cognizant Technology Solutions Corp Valuation – July 2016 \\$CTSH](#)