

ModernGraham Valuation

Company Name:

Saputo Inc.

Company Ticker TSE:SAP

Date of Analysis

12/5/2016



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	\$18,733,870,282	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.20	Pass
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	117.58%	Pass
6. Moderate PEmg Ratio	PEmg < 20	28.53	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.26	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	2.20	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.12	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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.61
MG Growth Estimate	8.35%
MG Value	\$40.47
MG Value based on 3% Growth	\$23.28
MG Value based on 0% Growth	\$13.65
Market Implied Growth Rate	10.02%

MG Opinion

Current Price	\$45.81
% of Intrinsic Value	113.19%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

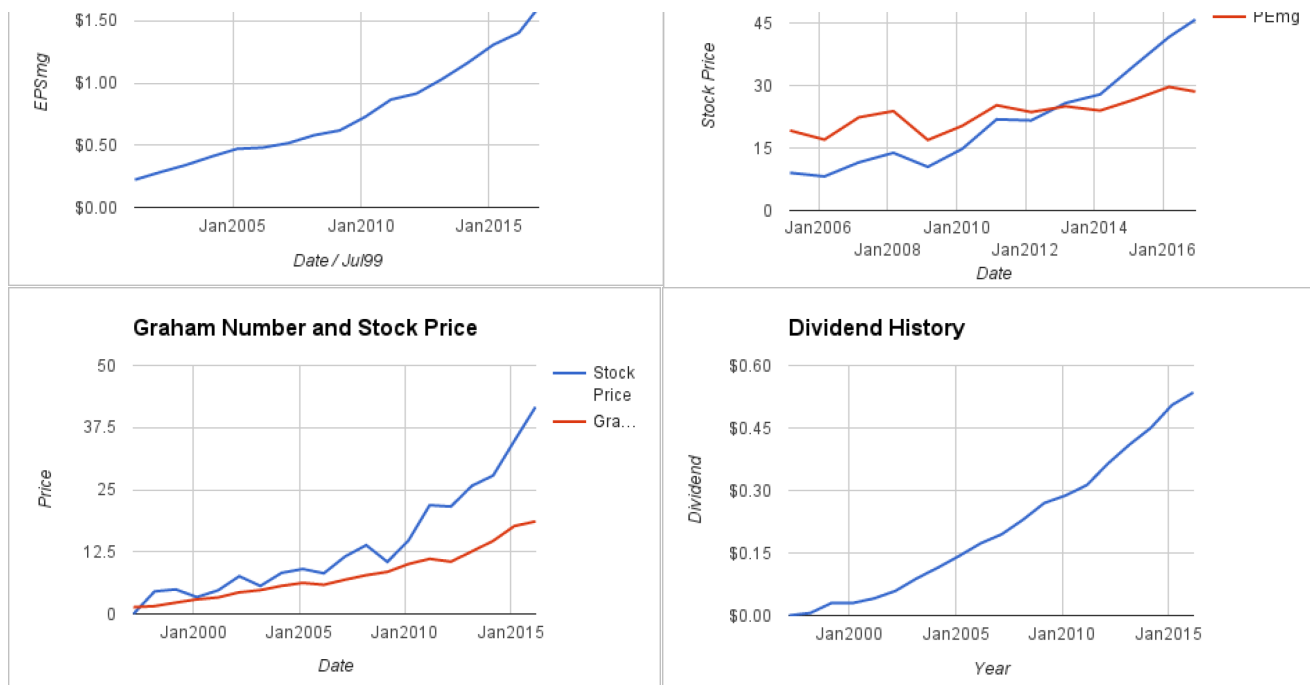
Net Current Asset Value (NCAV)	-\$2.03
Graham Number	\$21.62
PEmg	28.53
Current Ratio	2.20
PB Ratio	4.26
Current Dividend	\$0.42
Dividend Yield	0.92%
Number of Consecutive Years of Dividend Growth	0

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		Next Fiscal Year Estimate	\$1.61
Mar2016	\$1.51	Mar2016	\$1.40
Mar2015	\$1.53	Mar2015	\$1.31
Mar2014	\$1.35	Mar2014	\$1.16
Mar2013	\$1.21	Mar2013	\$1.03
Mar2012	\$0.93	Mar2012	\$0.92
Mar2011	\$1.08	Mar2011	\$0.87
Mar2010	\$0.92	Mar2010	\$0.73
Mar2009	\$0.67	Mar2009	\$0.62
Mar2008	\$0.69	Mar2008	\$0.58
Mar2007	\$0.57	Mar2007	\$0.52
Mar2006	\$0.46	Mar2006	\$0.48
Mar2005	\$0.55	Mar2005	\$0.47
Mar2004	\$0.51	Mar2004	\$0.41
Mar2003	\$0.42	Mar2003	\$0.34
Mar2002	\$0.39	Mar2002	\$0.28
Mar2001	\$0.27	Mar2001	\$0.22
Mar2000	\$0.25	Balance Sheet Information 9/1/2016	
Mar1999	\$0.20	Total Current Assets	\$2,316,800,000
Mar1998	\$0.12	Total Current Liabilities	\$1,053,500,000
Mar1997	\$0.17	Long-Term Debt	\$1,412,500,000
		Total Assets	\$7,387,400,000
		Intangible Assets	\$2,830,700,000
		Total Liabilities	\$3,122,100,000
		Shares Outstanding (Diluted Average)	397,063,000





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:

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ModernGraham
posts about the
company

#N/A

Other
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posts about related
companies

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[B&G Foods Inc Valuation – August 2016 \\$BGS](#)
[Tyson Foods Inc Valuation – August 2016 \\$TSN](#)
[Mondelez International Inc Valuation – August 2016 \\$MDLZ](#)
[Hormel Foods Corp Valuation – August 2016 \\$HRL](#)
[J.M. Smucker Co Valuation – August 2016 \\$SJM](#)
[General Mills Inc Valuation – August 2016 \\$GIS](#)
[Archer Daniels Midland Co – August 2016 \\$ADM](#)
[Coca-Cola Co Valuation – July 2016 \\$KO](#)
[Monster Beverage Corp Valuation – July 2016 \\$MNST](#)