# **ModernGraham Valuation**

## **Company Name:**

Inteliquent Inc

Company Ticker Date of Analysis IQNT

1/7/2017



#### 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	\$786,935,413 Fa	ail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.43 Pa	ass
3. Earnings Stability	Positive EPS for 10 years prior	Fa	ail
4. Dividend Record	Dividend Payments for 10 years prior	Fa	ail
	Increase of 33% in EPS in past 10 years using 3 year averages at		
5. Earnings Growth	beginning and end	54.13% Pa	ass
6. Moderate PEmg Ratio	PEmg < 20	24.04 Fa	ail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.99 Fa	ail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	4.43 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	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive No Enterprising Yes

#### Stage 2: Determination of Intrinsic Value

EPSmg	\$0.95
MG Growth Estimate	15.00%
MG Value	\$36.60
MG Value based on 3% Growth	\$13.78
MG Value based on 0% Growth	\$8.08
Market Implied Growth Rate	7.77%

MG Opinion

 Current Price
 \$22.85

 % of Intrinsic Value
 62.43%

Opinion Undervalued MG Grade B

### Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.02
Graham Number	\$11.88
PEmg	24.04
Current Ratio	4.43
PB Ratio	3.99
Current Dividend	\$0.62
Dividend Yield	2.71%
Number of Consecutive Years of Dividend	4
Growth	4

Morningstar

Useful Links: ModernGraham tagged articles

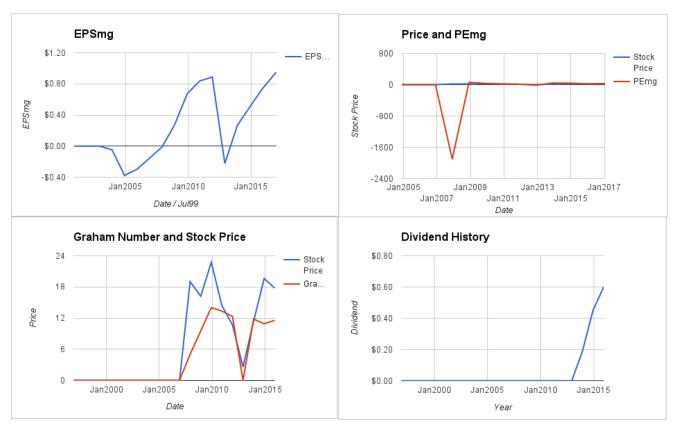
 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	¢1 00	Next Fiscal Year Estimate	\$0.95
			•
Dec2015	\$1.12	Dec2015	\$0.74
Dec2014	\$1.15		\$0.51
Dec2013	\$1.71	Dec2013	\$0.27
Dec2012	-\$2.54	Dec2012	-\$0.22
Dec2011	\$0.82	Dec2011	\$0.89
Dec2010	\$0.97	Dec2010	\$0.84
Dec2009	\$1.22	Dec2009	\$0.67
Dec2008	\$0.72	Dec2008	\$0.28
Dec2007	\$0.24	Dec2007	-\$0.01
Dec2006	\$0.20	Dec2006	-\$0.15
Dec2005	\$0.01	Dec2005	-\$0.30
Dec2004	-\$1.02	Dec2004	-\$0.38
Dec2003	-\$0.14	Dec2003	-\$0.05
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information	9/1/2016
Dec1998	\$0.00	Total Current Assets	\$179,433,000
Dec1997	\$0.00	Total Current Liabilities	\$40,549,000
Dec1996	\$0.00	Long-Term Debt	\$0
		Total Assets	\$238,525,000
		Intangible Assets	\$1,715,000
		Total Liabilities	\$40,549,000
		Shares Outstanding (Diluted Average)	34,584,000





#### 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 <u>Windstream Holdings Inc Valuation – August 2016 \$WIN Verizon Communications Inc Valuation – July 2016 \$VZ</u>

AT&T Inc Valuation – July 2016 \$T

<u>Harris Corporation Valuation – February 2016 \$HRS</u>
<u>CenturyLink Inc Valuation – February 2016 \$CTL</u>

Frontier Communications Corp Valuation - November 2015 Update \$FTR

<u>Harris Corporation Analysis – September 2015 Update \$HRS</u>

Arris Group Inc. Analysis - Initial Coverage \$ARRS

Level 3 Communications Inc. Analysis – Initial Coverage \$LVLT

Windstream Holdings Analysis – 2015 Update \$WIN