ModernGraham Valuation

Company Name:

Scientific Games Corp



Company Ticker Date of Analysis

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.

SGMS

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$1,411,573,037 Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.58 Fail
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	
5. Earnings Growth	beginning and end	-33171.43% Fail
C. Madarata DEma Datio	DE	2.44 Fail

6. Moderate PEmg Ratio PEmg < 20 -2.44 Fail PB Ratio < 2.5 OR PB*PEmg < 50 -0.78 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	1.58	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	19.26	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

\$15.55

Suitability

MG Opinion

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$6.36
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$92.22
MG Value based on 0% Growth	-\$54.06
Market Implied Growth Rate	-5.47%

% of Intrinsic Value N/A Opinion Overvalued

MG Grade

Stage 3: Information for Further Research

Current Price

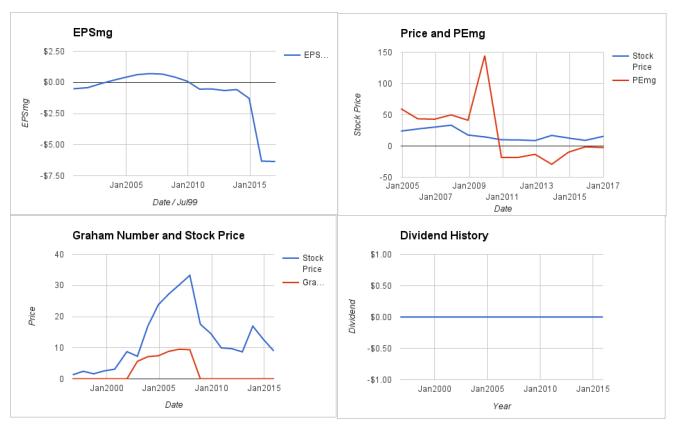
Net Current Asset Value (NCAV)	-\$91.33
Graham Number	\$0.00
PEmg	-2.44
Current Ratio	1.58
PB Ratio	-0.78
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend	
Growth	0

Useful Links: ModernGraham tagged articles

Morningstar MSN Money **Google Finance** Yahoo Finance Seeking Alpha **SEC Filings GuruFocus**

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	-\$4.15	Next Fiscal Year Estimate	-\$6.36
Dec2015	-\$16.23	Dec2015	-\$6.32
Dec2014	-\$2.77	Dec2014	-\$1.29
Dec2013	-\$0.36	Dec2013	-\$0.58
Dec2012	-\$0.70	Dec2012	-\$0.65
Dec2011	-\$0.14	Dec2011	-\$0.53
Dec2010	-\$1.61	Dec2010	-\$0.54
Dec2009	-\$0.43	Dec2009	\$0.10
Dec2008	-\$0.05	Dec2008	\$0.43
Dec2007	\$0.55	Dec2007	\$0.67
Dec2006	\$0.70	Dec2006	\$0.71
Dec2005	\$0.81	Dec2005	\$0.63
Dec2004	\$0.72	Dec2004	\$0.40
Dec2003	\$0.59	Dec2003	\$0.16
Dec2002	\$0.50	Dec2002	-\$0.11
Dec2001	-\$0.30	Dec2001	-\$0.42
Oct2000	-\$0.86	Oct2000	-\$0.51
Oct1999	\$0.01	Balance Sheet Information	9/1/2016
Oct1998	-\$0.45	Total Current Assets	\$1,135,600,000
Oct1997	-\$0.51	Total Current Liabilities	\$718,500,000
Oct1996	-\$1.09	Long-Term Debt	\$8,033,800,000
		Total Assets	\$7,376,600,000
		Intangible Assets	\$5,263,100,000
		Total Liabilities	\$9,126,600,000
		Shares Outstanding (Diluted Average)	87,500,000





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:

ModernGraham posts about the company

#N/A

Other ModernGraham posts about related companies Wynn Resorts Ltd Valuation - February 2016 \$WYNN

Wynn Resorts Limited Analysis – September 2015 Update \$WYNN

Wyndham Worldwide Corporation Analysis – August 2015 Update \$WYN

Wynn Resorts Analysis – June 2015 Update \$WYNN

International Game Technology Quarterly Valuation - March 2015 \$IGT

Wynn Resorts Limited Quarterly Valuation - March 2015 \$WYNN

Wynn Resorts Limited Quarterly Valuation - December 2014 \$WYNN

Wynn Resorts Limited Quarterly Stock Valuation – September 2014 \$WYNN