

ModernGraham Valuation

Company Name:

Signet Jewelers Ltd.

Company Ticker

SIG

Date of Analysis

1/8/2017



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	\$6,155,854,680	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.41	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	-7470.83%	Fail
5. Earnings Growth	PEmg < 20	15.29	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.91	Pass
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	3.41	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.41	Pass
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
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.77
MG Growth Estimate	15.00%
MG Value	\$222.15
MG Value based on 3% Growth	\$83.67
MG Value based on 0% Growth	\$49.05
Market Implied Growth Rate	3.39%

MG Opinion

Current Price	\$88.22
% of Intrinsic Value	39.71%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.06
Graham Number	\$71.41
PEmg	15.29
Current Ratio	3.41
PB Ratio	2.91
Current Dividend	\$1.00
Dividend Yield	1.13%
Number of Consecutive Years of Dividend Growth	6

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	\$7.07	Next Fiscal Year Estimate	\$5.77
Jan2016	\$5.87	Jan2016	\$4.96
Jan2015	\$4.75	Jan2015	\$4.32
Jan2014	\$4.56	Jan2014	\$3.86
Jan2013	\$4.35	Jan2013	\$2.84
Jan2012	\$3.73	Jan2012	\$1.78
Jan2011	\$2.32	Jan2011	\$0.88
Jan2010	\$1.83	Jan2010	\$0.48
Jan2009	-\$4.62	Jan2009	\$0.31
Jan2008	\$2.55	Jan2008	\$2.61
Jan2007	\$3.07	Jan2007	\$2.51
Jan2006	\$2.71	Jan2006	\$2.17
Jan2005	\$2.94	Jan2005	\$1.89
Jan2004	\$0.10	Jan2004	\$1.45
Jan2003	\$2.47	Jan2003	\$1.97
Jan2002	\$1.98	Jan2002	\$1.57
Jan2001	\$1.90	Jan2001	\$1.21
Jan2000	\$1.71	Balance Sheet Information 10/1/2016	
Jan1999	\$0.13	Total Current Assets	\$4,555,000,000
Jan1998	\$0.65	Total Current Liabilities	\$1,335,000,000
Jan1997	\$0.08	Long-Term Debt	\$1,324,200,000
		Total Assets	\$6,487,500,000
		Intangible Assets	\$936,800,000
		Total Liabilities	\$4,256,300,000
		Shares Outstanding (Diluted Average)	73,600,000





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

[Inter Parfums Inc Valuation – Initial Coverage \\$IPAR](#)
[Church & Dwight Co Inc Valuation – Initial Coverage \\$CHD](#)
[Service Corporation Intl Valuation – Initial Coverage \\$SCI](#)
[Avon Products Inc Valuation – July 2016 \\$AVP](#)
[Proctor & Gamble Co Valuation – July 2016 \\$PG](#)
[International Flavors & Fragrances Inc Valuation – June 2016 \\$IFF](#)
[Kimberly-Clark Corporation Valuation – June 2016 \\$KMB](#)
[Estee Lauder Companies Inc Valuation – May 2016 \\$EL](#)
[Colgate-Palmolive Co Valuation – January 2016 Update \\$CL](#)
[International Flavors & Fragrances Valuation – December 2015 Update \\$IFF](#)