

ModernGraham Valuation

Company Name:

Celestica Inc

Company Ticker TSE:CLS

Date of Analysis

1/11/2017



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	\$1,968,662,816	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.88	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	-180.36%	Fail
6. Moderate PEmg Ratio	PEmg < 20	16.51	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.46	Pass

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	1.88	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.98
MG Growth Estimate	15.00%
MG Value	\$37.85
MG Value based on 3% Growth	\$14.25
MG Value based on 0% Growth	\$8.36
Market Implied Growth Rate	4.00%

MG Opinion

Current Price	\$16.23
% of Intrinsic Value	42.88%
Opinion	Undervalued
MG Grade	B+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$6.81
Graham Number	\$20.71
PEmg	16.51
Current Ratio	1.88
PB Ratio	1.46
Current Dividend	\$0.00
Dividend Yield	0.00%
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	\$1.69	Next Fiscal Year Estimate	\$0.98
Dec2015	\$0.58	Dec2015	\$0.65
Dec2014	\$0.69	Dec2014	\$0.67
Dec2013	\$0.68	Dec2013	\$0.63
Dec2012	\$0.55	Dec2012	\$0.29
Dec2011	\$0.90	Dec2011	-\$0.05
Dec2010	\$0.44	Dec2010	-\$0.62
Dec2009	\$0.25	Dec2009	-\$1.08
Dec2008	-\$3.87	Dec2008	-\$1.80
Dec2007	-\$0.06	Dec2007	-\$1.01
Dec2006	-\$0.76	Dec2006	-\$1.68
Dec2005	-\$0.24	Dec2005	-\$2.09
Dec2004	-\$4.69	Dec2004	-\$2.57
Dec2003	-\$1.62	Dec2003	-\$1.20
Dec2002	-\$3.09	Dec2002	-\$0.81
Dec2001	-\$0.41	Dec2001	\$0.26
Dec2000	\$1.51	Dec2000	\$0.48
Dec1999	\$0.59	Balance Sheet Information	9/1/2016
Dec1998	-\$0.82	Total Current Assets	\$3,074,322,000
Dec1997	-\$0.15	Total Current Liabilities	\$1,636,650,000
Dec1996	\$0.00	Long-Term Debt	\$0
		Total Assets	\$3,688,164,000
		Intangible Assets	\$60,034,000
		Total Liabilities	\$2,100,406,000
		Shares Outstanding (Diluted Average)	143,000,000





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
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posts about related
companies

- [Advanced Micro Devices Inc Valuation – January 2017 \\$AMD](#)
- [IPG Photonics Corp Valuation – Initial Coverage \\$IPGP](#)
- [Ciena Corporation Valuation – Initial Coverage \\$CIEN](#)
- [ScanSource Inc Valuation – Initial Coverage \\$SCSC](#)
- [Cognex Corporation Valuation – Initial Coverage \\$CGNX](#)
- [AMETEK Inc Valuation – December 2016 \\$AME](#)
- [Ingram Micro Inc Valuation – Initial Coverage \\$IM](#)
- [Sanmina Corp Valuation – Initial Coverage \\$SANM](#)
- [Qorvo Inc Valuation – December 2016 Update \\$QRVO](#)
- [IIVI Inc Valuation – Initial Coverage \\$IIVI](#)