# **ModernGraham Valuation**

# **Company Name:**

Stella-Jones Inc

Company Ticker Date of Analysis TSE:SJ

1/11/2017



2.97 Fail

## 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.

7. Moderate Price to Assets

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$2,959,589,093 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	7.23 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	258.17% Pass
Moderate PEmg Ratio	PEmg < 20	22.29 Fail

PB Ratio < 2.5 OR PB\*PEmg < 50

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	7.23 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.71 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

# Stage 2: Determination of Intrinsic Value

EPSmg	\$1.90
MG Growth Estimate	15.00%
MG Value	\$73.33
MG Value based on 3% Growth	\$27.62
MG Value based on 0% Growth	\$16.19
Market Implied Growth Rate	6.89%

MG Opinion

Current Price \$42.45 % of Intrinsic Value 57.89%

Opinion Undervalued

MG Grade

## Stage 3: Information for Further Research

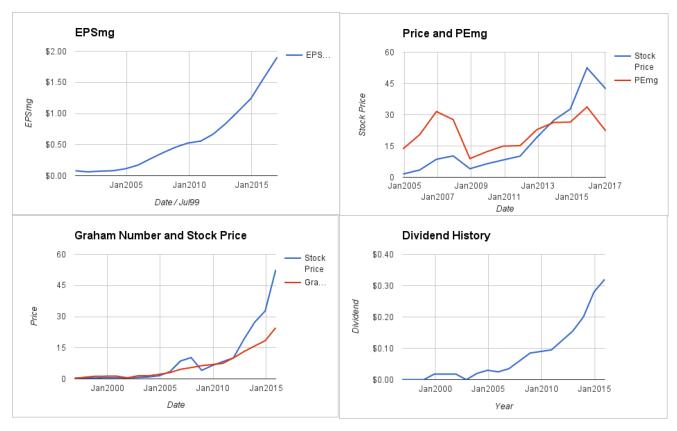
Net Current Asset Value (NCAV)	\$2.03
Graham Number	\$27.89
PEmg	22.29
Current Ratio	7.23
PB Ratio	2.97
Current Dividend	\$0.38
Dividend Yield	0.90%
Number of Consecutive Years of Dividend	
Growth	11

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	\$1.90
Dec2015	\$2.04	Dec2015	\$1.56
Dec2014	\$1.50	Dec2014	\$1.24
Dec2013	\$1.34	Dec2013	\$1.04
Dec2012	\$1.13	Dec2012	\$0.84
Dec2011	\$0.87	Dec2011	\$0.67
Dec2010	\$0.57	Dec2010	\$0.56
Dec2009	\$0.59	Dec2009	\$0.53
Dec2008	\$0.56	Dec2008	\$0.46
Dec2007	\$0.51	Dec2007	\$0.37
Dec2006	\$0.44	Dec2006	\$0.27
Dec2005	\$0.27	Dec2005	\$0.17
Dec2004	\$0.18	Dec2004	\$0.11
Dec2003	\$0.10	Dec2003	\$0.08
Dec2002	\$0.10	Dec2002	\$0.07
Dec2001	\$0.01	Dec2001	\$0.06
Dec2000	\$0.09	Dec2000	\$0.08
Dec1999	\$0.09	Balance Sheet Information	9/1/2016
Dec1998	\$0.10	Total Current Assets	\$1,032,611,000
Dec1997	\$0.05	Total Current Liabilities	\$142,774,000
Dec1996	\$0.00	Long-Term Debt	\$629,239,000
		Total Assets	\$1,881,345,000
		Intangible Assets	\$415,842,000
		Total Liabilities	\$891,946,000
		Shares Outstanding (Diluted Average)	69,295,000





#### 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 Quanta Services Inc Valuation - August 2016 \$PWR

<u>Jacobs Engineering Group Inc Valuation – August 2016 \$JEC</u>

PPG Industries Inc Valuation – August 2016 \$PPG

D.R. Horton Inc Valuation - August 2016 \$DHI

Martin Marietta Materials Inc Valuation - August 2016 \$MLM

Fluor Corporation Valuation – August 2016 \$FLR

Vulcan Materials Co Valuation - July 2016 \$VMC

PulteGroup Inc Valuation – July 2016 \$PHM

Sherwin-Williams Co Valuation - July 2016 \$SHW

Cummins Inc Valuation – July 2016 \$CMI