

ModernGraham Valuation

Company Name:

Acuity Brands, Inc.

Company Ticker AYI

Date of Analysis

3/2/2017



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	\$9,520,128,824	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.22	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	169.29%	Pass
5. Earnings Growth	PEmg < 20	34.45	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.45	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	2.22	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.48	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	\$6.22
MG Growth Estimate	15.00%
MG Value	\$239.57
MG Value based on 3% Growth	\$90.23
MG Value based on 0% Growth	\$52.89
Market Implied Growth Rate	12.97%

MG Opinion

Current Price	\$214.37
% of Intrinsic Value	89.48%
Opinion	Fairly Valued
MG Grade	C

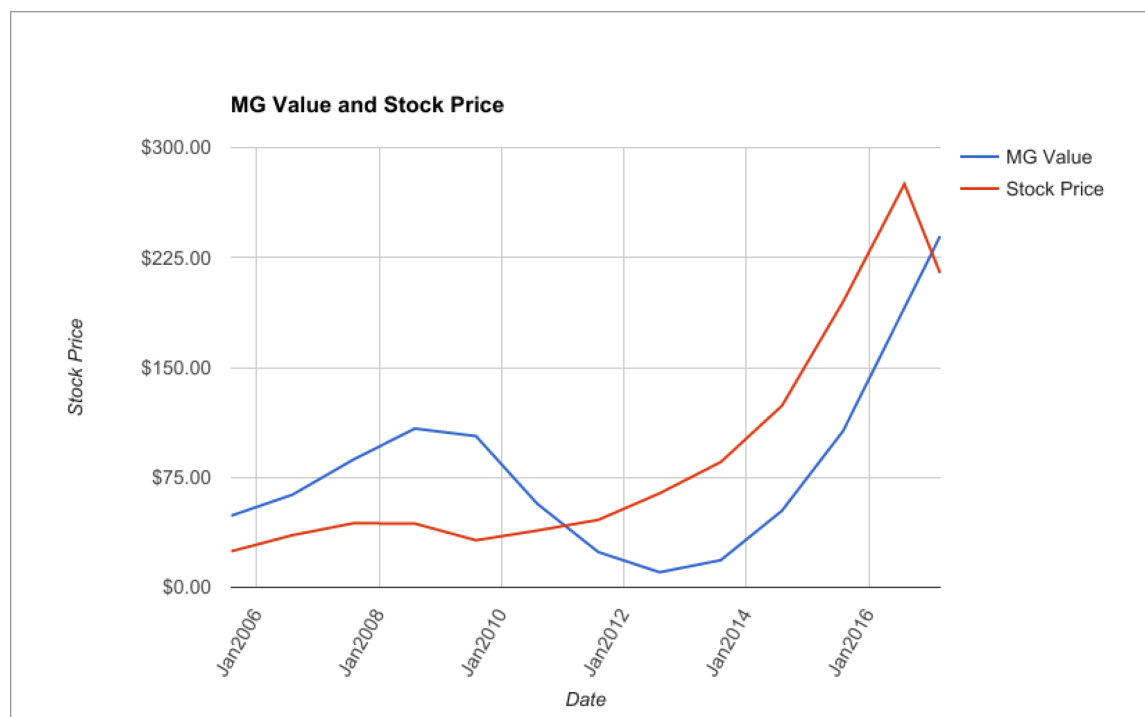
Stage 3: Information for Further Research

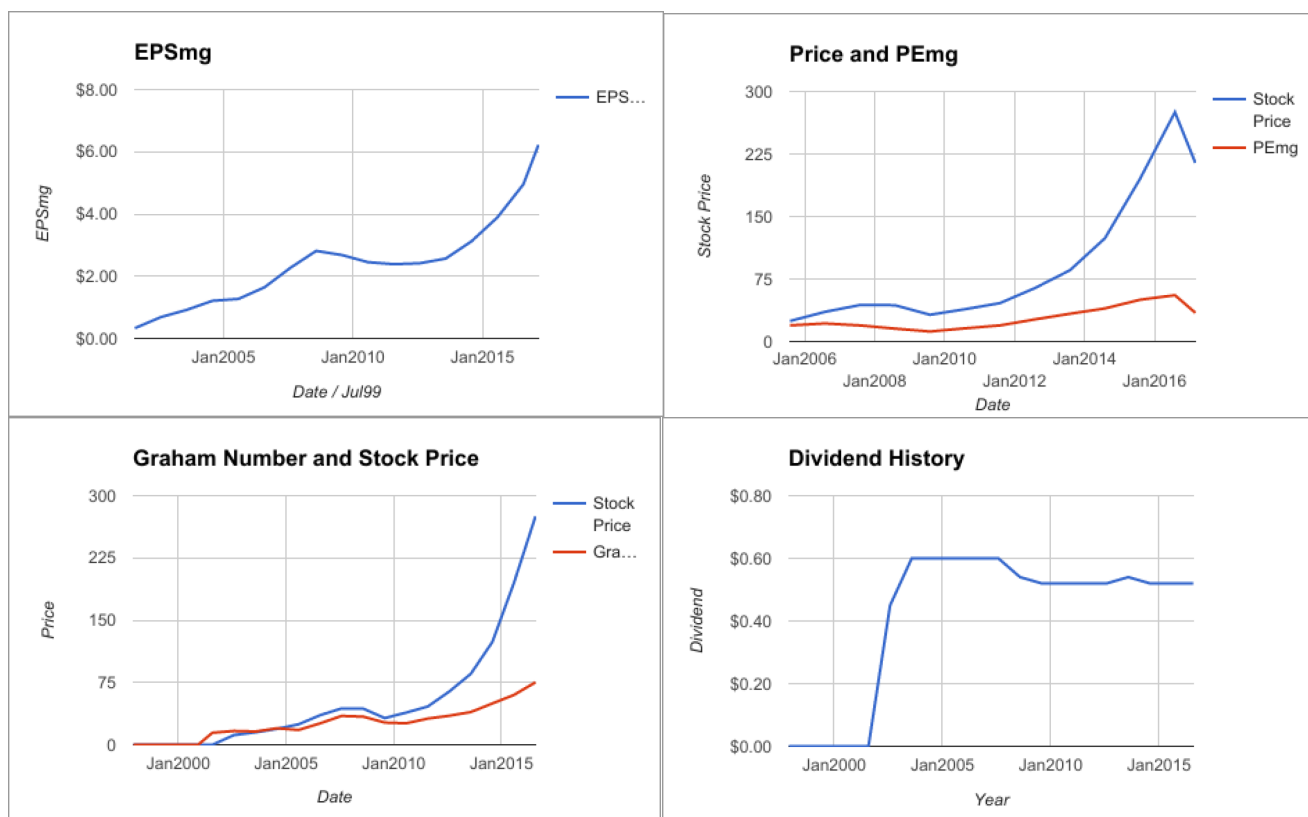
Net Current Asset Value (NCAV)	\$2.79
Graham Number	\$84.83
PEmg	34.45
Current Ratio	2.22
PB Ratio	5.45
Current Dividend	\$0.52
Dividend Yield	0.24%
Number of Consecutive Years of Dividend Growth	0

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	\$8.10	Next Fiscal Year Estimate	\$6.22
Aug2016	\$6.63	Aug2016	\$4.95
Aug2015	\$5.09	Aug2015	\$3.89
Aug2014	\$4.05	Aug2014	\$3.12
Aug2013	\$2.95	Aug2013	\$2.57
Aug2012	\$2.72	Aug2012	\$2.42
Aug2011	\$2.42	Aug2011	\$2.39
Aug2010	\$1.80	Aug2010	\$2.45
Aug2009	\$2.00	Aug2009	\$2.68
Aug2008	\$3.56	Aug2008	\$2.81
Aug2007	\$3.37	Aug2007	\$2.27
Aug2006	\$2.34	Aug2006	\$1.64
Aug2005	\$1.17	Aug2005	\$1.27
Aug2004	\$1.56	Aug2004	\$1.21
Aug2003	\$1.15	Aug2003	\$0.92
Aug2002	\$1.26	Aug2002	\$0.68
Aug2001	\$0.99	Aug2001	\$0.33
Dec2000	\$0.00	Balance Sheet Information 11/1/2016	
Dec1999	\$0.00	Total Current Assets	\$1,356,200,000
Dec1998	\$0.00	Total Current Liabilities	\$609,800,000
Dec1997	\$0.00	Long-Term Debt	\$355,700,000
		Total Assets	\$2,963,400,000
		Intangible Assets	\$1,314,600,000
		Total Liabilities	\$1,233,300,000
		Shares Outstanding (Diluted Average)	44,000,000





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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companies

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[PPG Industries Inc Valuation – August 2016 \\$PPG](#)
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[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](#)