ModernGraham Valuation

Company Name:

Company Ticker LDOS Date of Analysis Leidos Holdings, Inc.

3/7/2017



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.

1.	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$7,994,229,200	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	1.18	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	-91.14%	Fail
6.	Moderate PEmg Ratio	PEmg < 20	35.70	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.76	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	1.18	Fail
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.84	Fail
3.	Earnings Stability	Positive EPS for 5 years prior		Fail
4.	Dividend Record	Currently Pays Dividend		Pass
5.	Earnings Growth	EPSmg greater than 5 years ago		Fail
		Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

	EPSmg		\$1.49
	MG Growth Estimate		-4.25%
	MG Value		\$0.00
	MG Value based on 3% Growth		\$21.60
	MG Value based on 0% Growth		\$12.66
	Market Implied Growth Rate		13.60%
MG Opinion			
	Current Price		\$53.17
	% of Intrinsic Value	N/A	
	Opinion	Overvalued	
	MG Grade	D+	

Stage 3: Information for Further Research

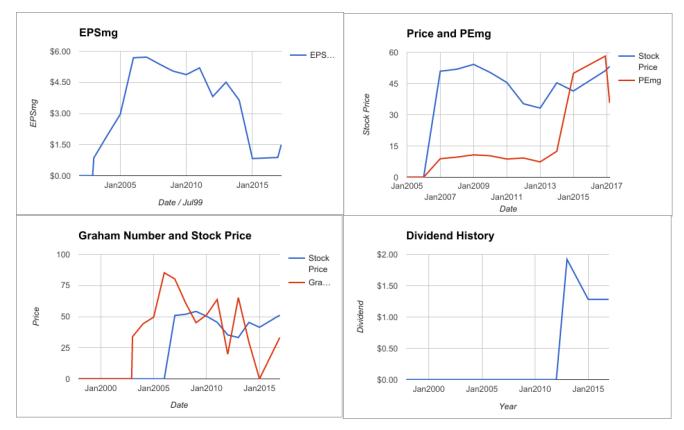
Net Current Asset Value (NCAV)	-\$34.77
Graham Number	\$38.68
PEmg	35.70
Current Ratio	1.18
PB Ratio	1.76
Current Dividend	\$1.28
Dividend Yield	2.41%
Number of Consecutive Years of Dividend	
Growth	0

Useful Links:

ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate		Next Fiscal Year Estimate	\$1.4
Dec2016	\$2.35	Dec2016	\$0.8
Jan2015	-\$4.36	Jan2015	\$0.8
Jan2014	\$1.94	Jan2014	\$3.6
Jan2013	\$6.19	Jan2013	\$4.5
Jan2012	\$0.68	Jan2012	\$3.8
Jan2011	\$6.56	Jan2011	\$5.2
Jan2010	\$4.96	Jan2010	\$4.8
Jan2009	\$4.36	Jan2009	\$5.0
Jan2008	\$4.00	Jan2008	\$5.3
Jan2007	\$4.28	Jan2007	\$5.7
Jan2006	\$10.32	Jan2006	\$5.6
Jan2005	\$4.36	Jan2005	\$2.9
Jan2004	\$3.72	Jan2004	\$1.9
Jan2003	\$2.56	Jan2003	\$0.8
Dec2002	\$0.00	Dec2002	\$0.0
Dec2001	\$0.00	Dec2001	\$0.0
Dec2000	\$0.00	Balance Sheet Information	12/1/201
Dec1999	\$0.00	Total Current Assets	\$2,381,000,00
Dec1998	\$0.00	Total Current Liabilities	\$2,016,000,00
Dec1997	\$0.00	Long-Term Debt	\$3,225,000,00
		Total Assets	\$9,132,000,00
		Intangible Assets	\$6,211,000,00
		Total Liabilities	\$5,997,000,00
		Shares Outstanding (Diluted Average)	104,000,00





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 Constellation Software Inc Valuation – Initial Coverage \$TSE:CSU Adobe Systems Inc Valuation – February 2017 \$ADBE Synopsys Inc Valuation – Initial Coverage \$SNPS Microsoft Corporation Valuation – February 2017 \$MSFT Cisco Systems Inc Valuation – January 2017 \$CSCO Autodesk Inc Valuation – December 2016 \$ADSK Symantec Corporation Valuation – August 2016 \$SYMC Adobe Systems Inc Valuation – August 2016 \$ADBE Microsoft Corporation Valuation – August 2016 \$MSFT Cisco Systems Inc Valuation – August 2016 \$MSFT