

ModernGraham Valuation

Sensient
Technologies
Corporation



Company Name:

Company Ticker SXT

Date of Analysis

3/18/2017

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	\$3,659,641,481	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.36	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	45.72%	Pass
5. Earnings Growth	PEmg < 20	30.34	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.38	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	3.36	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.16	Fail
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	\$2.69
MG Growth Estimate	2.48%
MG Value	\$36.27
MG Value based on 3% Growth	\$39.05
MG Value based on 0% Growth	\$22.89
Market Implied Growth Rate	10.92%

MG Opinion

Current Price	\$81.72
% of Intrinsic Value	225.28%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.57
Graham Number	\$37.78
PEmg	30.34
Current Ratio	3.36
PB Ratio	4.38
Current Dividend	\$1.11
Dividend Yield	1.36%
Number of Consecutive Years of Dividend Growth	12

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.38	Next Fiscal Year Estimate	\$2.69
Dec2016	\$2.82	Dec2016	\$2.33
Dec2015	\$2.31	Dec2015	\$2.12
Dec2014	\$1.51	Dec2014	\$2.07
Dec2013	\$2.27	Dec2013	\$2.31
Dec2012	\$2.49	Dec2012	\$2.27
Dec2011	\$2.41	Dec2011	\$2.10
Dec2010	\$2.17	Dec2010	\$1.89
Dec2009	\$1.78	Dec2009	\$1.68
Dec2008	\$1.89	Dec2008	\$1.59
Dec2007	\$1.65	Dec2007	\$1.45
Dec2006	\$1.44	Dec2006	\$1.39
Dec2005	\$0.94	Dec2005	\$1.41
Dec2004	\$1.58	Dec2004	\$1.62
Dec2003	\$1.73	Dec2003	\$1.61
Dec2002	\$1.69	Dec2002	\$1.54
Dec2001	\$1.54	Dec2001	\$1.45
Dec2000	\$1.26	Balance Sheet Information 12/1/2016	
Sep1999	\$1.61	Total Current Assets	\$717,061,000
Sep1998	\$1.43	Total Current Liabilities	\$213,675,000
Sep1997	\$1.26	Long-Term Debt	\$582,780,000
		Total Assets	\$1,667,860,000
		Intangible Assets	\$391,694,000
		Total Liabilities	\$832,119,000
		Shares Outstanding (Diluted Average)	44,843,000





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.

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ModernGraham
posts about the
company

#N/A

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