# **ModernGraham Valuation**

# **Company Name:**

Company Ticker TSE:SW Date of Analysis

Sierra Wireless, Inc.

3/10/2017



## 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.

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1.	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$1,186,497,752	Fail
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	1.70	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	158.68%	Pass
6.	Moderate PEmg Ratio	PEmg < 20	65.62	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.48	Pass
Enterprising Investor; mus	st pass 4 out of the following 5 tests, or be s	uitable for the Defensive Investor.		
1.	Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.70	Pass
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3.	Earnings Stability	Positive EPS for 5 years prior		Fail
4.	Dividend Record	Currently Pays Dividend		Fail
5.	Earnings Growth	EPSmg greater than 5 years ago		Pass
		Score		

#### Suitability

Defensive	No
Enterprising	No

#### Stage 2: Determination of Intrinsic Value

	EPSmg		\$0.56
	MG Growth Estimate		1.21%
	MG Value		\$6.16
	MG Value based on 3% Growth		\$8.18
	MG Value based on 0% Growth		\$4.80
	Market Implied Growth Rate		28.56%
MG Opinion			
	Current Price		\$37.02
	% of Intrinsic Value		601.32%
	Opinion	Overvalued	
	MG Grade	D	

#### Stage 3: Information for Further Research

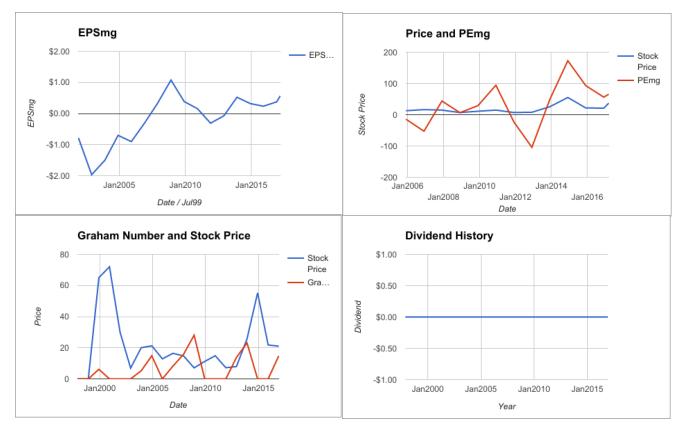
Net Current Asset Value (NCAV)	\$3.18
Graham Number	\$19.44
PEmg	65.62
Current Ratio	1.70
PB Ratio	2.48
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend	
Growth	0

Useful Links:

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EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$1.11	Next Fiscal Year Estimate	\$0.5
Dec2016	\$0.64	Dec2016	\$0.3
Dec2015	-\$0.11	Dec2015	\$0.2
Dec2014	-\$0.61	Dec2014	\$0.3
Dec2013	\$1.90	Dec2013	\$0.5
Dec2012	\$0.87	Dec2012	-\$0.0
Dec2011	-\$0.96	Dec2011	-\$0.3
Dec2010	-\$0.47	Dec2010	\$0.10
Dec2009	-\$1.36	Dec2009	\$0.3
Dec2008	\$2.47	Dec2008	\$1.0
Dec2007	\$1.16	Dec2007	\$0.3
Dec2006	\$0.44	Dec2006	-\$0.3
Dec2005	-\$1.67	Dec2005	-\$0.9
Dec2004	\$1.17	Dec2004	-\$0.7
Dec2003	\$0.16	Dec2003	-\$1.5
Dec2002	-\$3.99	Dec2002	-\$1.9
Dec2001	-\$2.37	Dec2001	-\$0.7
Dec2000	-\$0.30	Balance Sheet Information	12/1/201
Dec1999	\$0.34	Total Current Assets	\$392,174,000
Dec1998	\$0.15	Total Current Liabilities	\$230,443,00
Dec1997	\$0.00	Long-Term Debt	\$
		Total Assets	\$771,587,00
		Intangible Assets	\$305,425,00
		Total Liabilities	\$289,282,00
		Shares Outstanding (Diluted Average)	32,367,00





#### 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

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	Harris Corporation Valuation – February 2016 \$HRS
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	Frontier Communications Corp Valuation – November 2015 Update \$FTR
	Harris Corporation Analysis – September 2015 Update \$HRS
	Arris Group Inc. Analysis – Initial Coverage \$ARRS
	Level 3 Communications Inc. Analysis – Initial Coverage \$LVLT
	Windstream Holdings Analysis – 2015 Update \$WIN