

ModernGraham Valuation

MITEL NETWORKS
CORPORATION



Company Name:

Company Ticker TSE:MNW

Date of Analysis

9/9/2017

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	\$1,145,816,300	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.35	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-93.45%	Fail
5. Earnings Growth	PEmg < 20	-23.45	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.64	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	1.35	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.31	Fail
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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.41
MG Growth Estimate	11.46%
MG Value	\$0.00
MG Value based on 3% Growth	-\$5.96
MG Value based on 0% Growth	-\$3.49
Market Implied Growth Rate	-15.98%

MG Opinion

Current Price	\$9.64
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

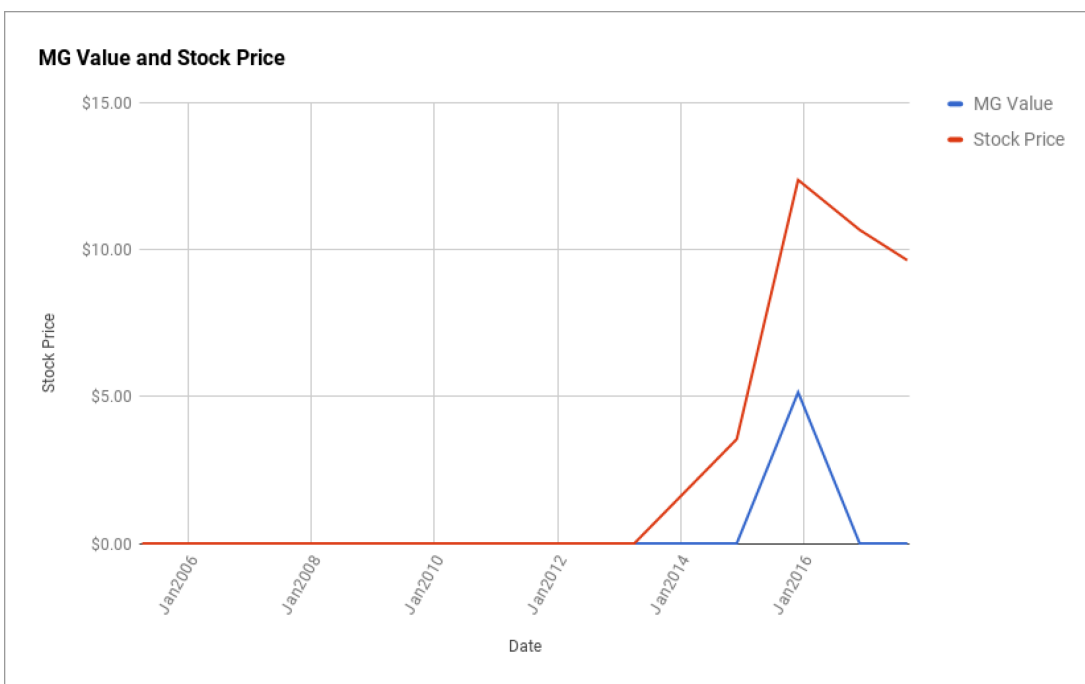
Net Current Asset Value (NCAV)	-\$3.94
Graham Number	\$8.89
PEmg	-23.45
Current Ratio	1.35
PB Ratio	2.64
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.84	Next Fiscal Year Estimate	-\$0.41
Dec2016	-\$2.39	Dec2016	-\$0.81
Dec2015	-\$0.25	Dec2015	\$0.13
Dec2014	-\$0.09	Dec2014	-\$0.11
Apr2013	\$0.11	Apr2013	-\$1.74
Apr2012	\$0.88	Apr2012	-\$3.45
Apr2011	\$1.50	Apr2011	-\$5.47
Apr2010	-\$7.34	Apr2010	-\$7.79
Apr2009	-\$20.05	Apr2009	-\$6.68
Apr2008	\$0.00	Apr2008	\$0.00
Apr2007	\$0.00	Apr2007	\$0.00
Apr2006	\$0.00	Apr2006	\$0.00
Apr2005	\$0.00	Apr2005	\$0.00
Apr2004	\$0.00	Apr2004	\$0.00
Apr2003	\$0.00	Apr2003	\$0.00
Apr2002	\$0.00	Apr2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information 6/1/2017	
Dec1999	\$0.00	Total Current Assets	\$545,068,000
Dec1998	\$0.00	Total Current Liabilities	\$403,483,000
Dec1997	\$0.00	Long-Term Debt	\$327,572,000
		Total Assets	\$1,468,625,000
		Intangible Assets	\$574,182,000
		Total Liabilities	\$1,024,063,000
		Shares Outstanding (Diluted Average)	121,700,000





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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company

#N/A

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