

ModernGraham Valuation

Company Name:

Signet Jewelers Ltd.

Company Ticker SIG

Date of Analysis

3/11/2018



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	\$2,959,236,111	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.63	Pass
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		
5. Earnings Growth		-4176.60%	Fail
6. Moderate PEmg Ratio	PEmg < 20	8.06	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.37	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	2.63	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.32	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	\$6.07
MG Growth Estimate	8.60%
MG Value	\$156.00
MG Value based on 3% Growth	\$88.01
MG Value based on 0% Growth	\$51.59
Market Implied Growth Rate	-0.22%

MG Opinion

Current Price	\$48.90
% of Intrinsic Value	31.35%
Opinion	Undervalued
MG Grade	A-

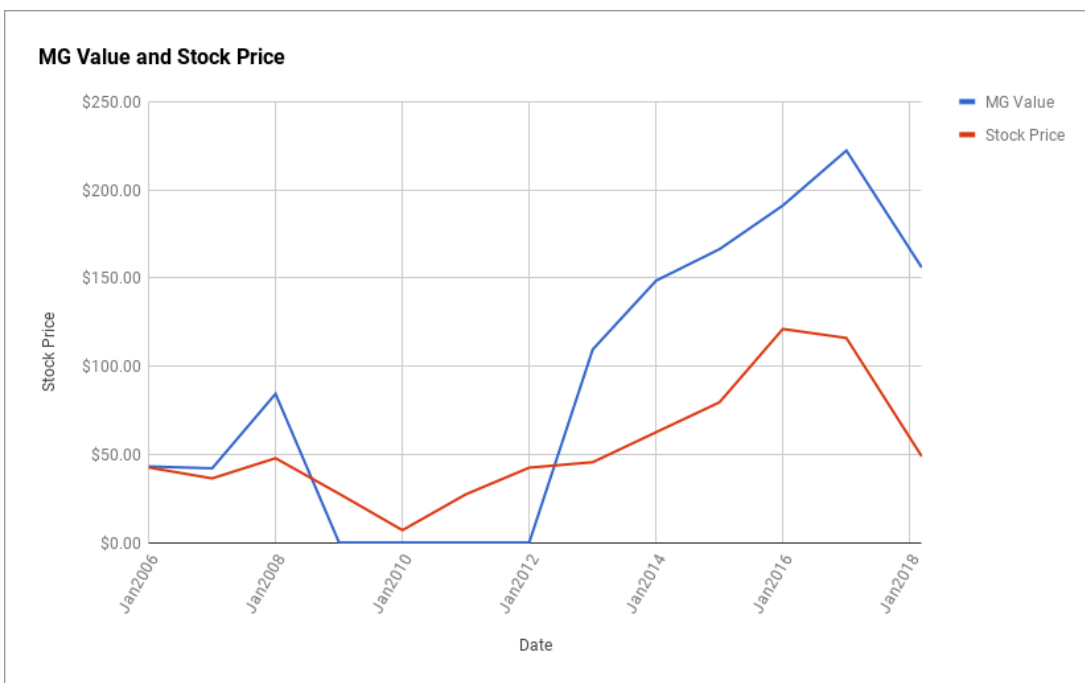
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$3.32
Graham Number	\$61.99
PEmg	8.06
Current Ratio	2.63
PB Ratio	1.37
Current Dividend	\$1.04
Dividend Yield	2.13%
Number of Consecutive Years of Dividend Growth	6

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	\$6.21	Next Fiscal Year Estimate	\$6.07
Jan2017	\$7.08	Jan2017	\$5.77
Jan2016	\$5.87	Jan2016	\$4.96
Jan2015	\$4.75	Jan2015	\$4.32
Jan2014	\$4.56	Jan2014	\$3.86
Jan2013	\$4.35	Jan2013	\$2.84
Jan2012	\$3.73	Jan2012	\$1.78
Jan2011	\$2.32	Jan2011	\$0.88
Jan2010	\$1.83	Jan2010	\$0.48
Jan2009	-\$4.62	Jan2009	\$0.31
Jan2008	\$2.55	Jan2008	\$2.61
Jan2007	\$3.07	Jan2007	\$2.51
Jan2006	\$2.71	Jan2006	\$2.17
Jan2005	\$2.94	Jan2005	\$1.89
Jan2004	\$0.10	Jan2004	\$1.45
Jan2003	\$2.47	Jan2003	\$1.97
Jan2002	\$1.98	Jan2002	\$1.57
Jan2001	\$1.90	Balance Sheet Information 10/1/2017	
Jan2000	\$1.71	Total Current Assets	\$3,462,200,000
Jan1999	\$0.13	Total Current Liabilities	\$1,317,500,000
Jan1998	\$0.65	Long-Term Debt	\$696,800,000
		Total Assets	\$5,800,700,000
		Intangible Assets	\$1,277,500,000
		Total Liabilities	\$3,661,700,000
		Shares Outstanding (Diluted Average)	60,100,000





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

- [Best Stocks Below Their Graham Number – August 2017](#)
- [10 Undervalued Stocks for the Enterprising Investor – August 2017](#)
- [10 Low PE Stock Picks for the Enterprising Investor – July 2017](#)
- [10 Undervalued Stocks for the Enterprising Investor – July 2017](#)
- [Best Stocks Below Their Graham Number – March 2017](#)

Other ModernGraham posts about related companies

- [Estee Lauder Companies Inc Valuation – February 2018 \\$EL](#)
- [Proctor & Gamble Co Valuation – February 2018 \\$PG](#)
- [Colgate-Palmolive Co. Valuation – April 2017 \\$CL](#)
- [Coty Inc Valuation – Initial Coverage \\$COTY](#)
- [Signet Jewelers Ltd Valuation – Initial Coverage \\$SIG](#)
- [Inter Parfums Inc Valuation – Initial Coverage \\$IPAR](#)
- [Church & Dwight Co Inc Valuation – Initial Coverage \\$CHD](#)
- [Service Corporation Intl Valuation – Initial Coverage \\$SCI](#)
- [Avon Products Inc Valuation – July 2016 \\$AVP](#)
- [Proctor & Gamble Co Valuation – July 2016 \\$PG](#)