

# ModernGraham Valuation

Sensient  
Technologies  
Corporation



**Company Name:**

Company Ticker SXT

Date of Analysis

3/7/2018

## 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	\$3,201,564,366	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.39	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	35.06%	Pass
5. Earnings Growth	PEmg < 20	26.67	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.76	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	3.39	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.17	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**

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.76
MG Growth Estimate	4.98%
<b>MG Value</b>	<b>\$50.96</b>
MG Value based on 3% Growth	\$40.03
MG Value based on 0% Growth	\$23.47
Market Implied Growth Rate	9.09%

*MG Opinion*

Current Price	\$73.64
% of Intrinsic Value	144.51%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$3.19
Graham Number	\$40.61
PEmg	26.67
Current Ratio	3.39
PB Ratio	3.76
Current Dividend	\$1.23
Dividend Yield	1.67%
Number of Consecutive Years of Dividend Growth	12

**Useful Links:**

[ModernGraham tagged articles](#)

[Google Finance](#)

[Yahoo Finance](#)

[Morningstar](#)

[MSN Money](#)

[Seeking Alpha](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$3.74		\$2.76
Dec2017	\$2.03	Dec2017	\$2.24
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	<b>Balance Sheet Information</b> <b>12/1/2017</b>	
Dec2000	\$1.26	Total Current Assets	\$733,475,000
Sep1999	\$1.61	Total Current Liabilities	\$216,323,000
Sep1998	\$1.43	Long-Term Debt	\$604,159,000
		Total Assets	\$1,724,340,000
		Intangible Assets	\$416,206,000
		Total Liabilities	\$872,039,000
		Shares Outstanding (Diluted Average)	43,497,000





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

[Sensient Technologies Corp Valuation – Initial Coverage \\$SXT](#)

Other  
ModernGraham  
posts about related  
companies

[Praxair Inc Valuation – March 2018 \\$PX](#)

[Ingevity Corp Valuation – March 2018 \\$NGVT](#)

[PolyOne Corp Valuation – March 2018 \\$POL](#)

[Green Plains Inc Valuation – March 2018 \\$GPRI](#)

[Eastman Chemical Co Valuation – March 2018 \\$EMN](#)

[LyondellBasell Industries NV Valuation – March 2018 \\$LYB](#)

[DowDuPont Inc Valuation – February 2018 \\$DWDP](#)

[Green Plains Inc Valuation – Initial Coverage \\$GPRI](#)

[PolyOne Corp Valuation – Initial Coverage \\$POL](#)

[Ingevity Corp Valuation – Initial Coverage \\$NGVT](#)