

ModernGraham Valuation

Company Name:

Acuity Brands, Inc.

Company Ticker AYI

Date of Analysis

6/4/2018



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	\$4,835,882,290	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.15	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	261.90%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	16.68	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.99	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	2.15	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.61	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$7.07
MG Growth Estimate	15.00%
MG Value	\$272.30
MG Value based on 3% Growth	\$102.55
MG Value based on 0% Growth	\$60.12
Market Implied Growth Rate	4.09%

MG Opinion

Current Price	\$117.95
% of Intrinsic Value	43.32%
Opinion	Undervalued
MG Grade	B

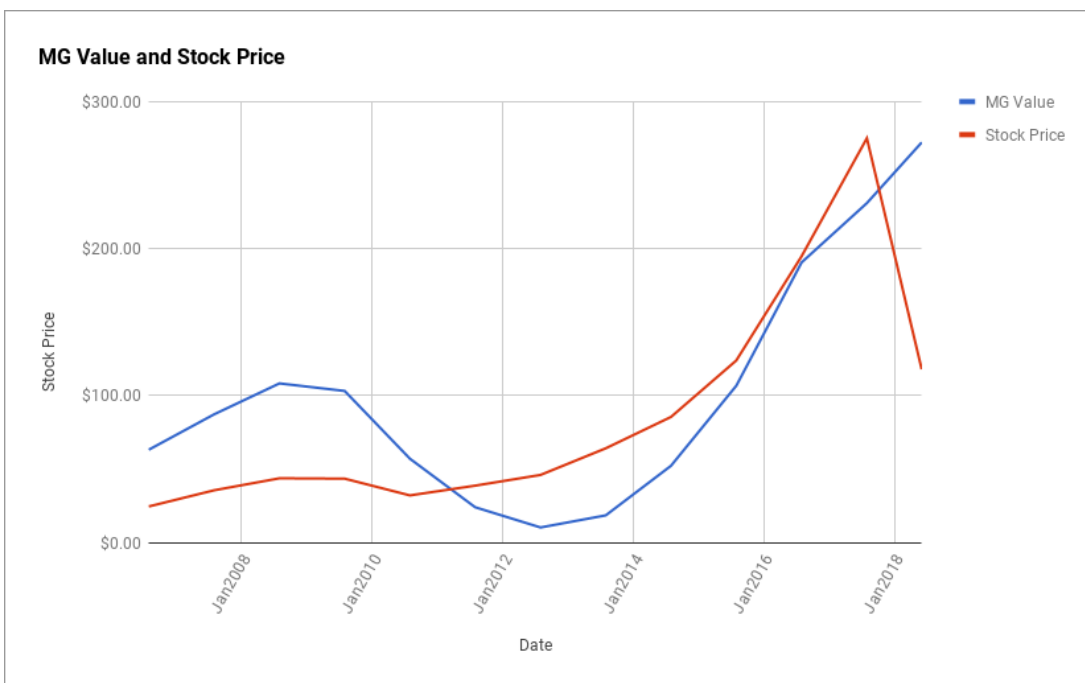
Stage 3: Information for Further Research

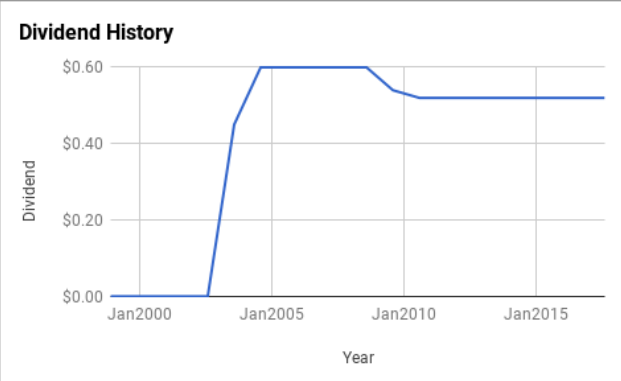
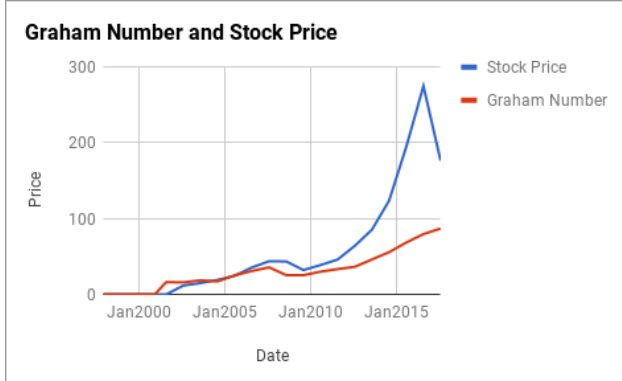
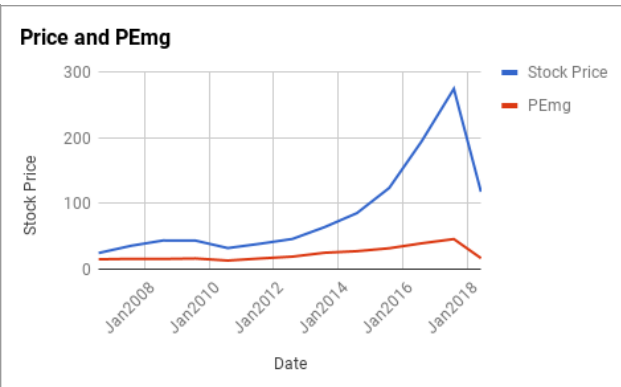
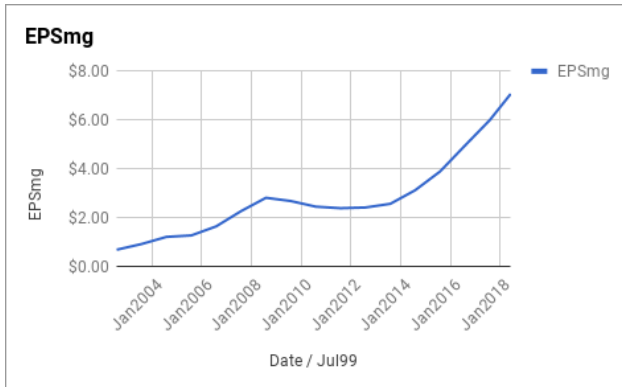
Net Current Asset Value (NCAV)	-\$0.51
Graham Number	\$86.97
PEmg	16.68
Current Ratio	2.15
PB Ratio	2.99
Current Dividend	\$0.52
Dividend Yield	0.44%
Number of Consecutive Years of Dividend Growth	0

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GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$8.45	Next Fiscal Year Estimate	\$7.07
Aug2017	\$7.43	Aug2017	\$6.00
Aug2016	\$6.63	Aug2016	\$4.95
Aug2015	\$5.09	Aug2015	\$3.89
Aug2014	\$4.05	Aug2014	\$3.12
Aug2013	\$2.95	Aug2013	\$2.57
Aug2012	\$2.72	Aug2012	\$2.42
Aug2011	\$2.42	Aug2011	\$2.39
Aug2010	\$1.80	Aug2010	\$2.45
Aug2009	\$2.00	Aug2009	\$2.68
Aug2008	\$3.56	Aug2008	\$2.81
Aug2007	\$3.37	Aug2007	\$2.27
Aug2006	\$2.34	Aug2006	\$1.64
Aug2005	\$1.17	Aug2005	\$1.27
Aug2004	\$1.56	Aug2004	\$1.21
Aug2003	\$1.15	Aug2003	\$0.92
Aug2002	\$1.26	Aug2002	\$0.68
Aug2001	\$0.99	Balance Sheet Information	
Dec2000	\$0.00	2/1/2018	
Dec1999	\$0.00	Total Current Assets	\$1,093,400,000
Dec1998	\$0.00	Total Current Liabilities	\$509,600,000
		Long-Term Debt	\$356,500,000
		Total Assets	\$2,750,500,000
		Intangible Assets	\$1,359,400,000
		Total Liabilities	\$1,114,700,000
		Shares Outstanding (Diluted Average)	41,500,000





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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