

ModernGraham Valuation

Company Name:

Ciena Corporation

Company Ticker CIEN

Date of Analysis

7/28/2018



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	\$3,605,301,646	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.64	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	307.46%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	6.44	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.99	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	2.64	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.64	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
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	\$3.94
MG Growth Estimate	4.99%
MG Value	\$72.71
MG Value based on 3% Growth	\$57.07
MG Value based on 0% Growth	\$33.46
Market Implied Growth Rate	-1.03%

MG Opinion

Current Price	\$25.36
% of Intrinsic Value	34.88%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$48.00
Graham Number	\$7.39
PEmg	6.44
Current Ratio	2.64
PB Ratio	5.99
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

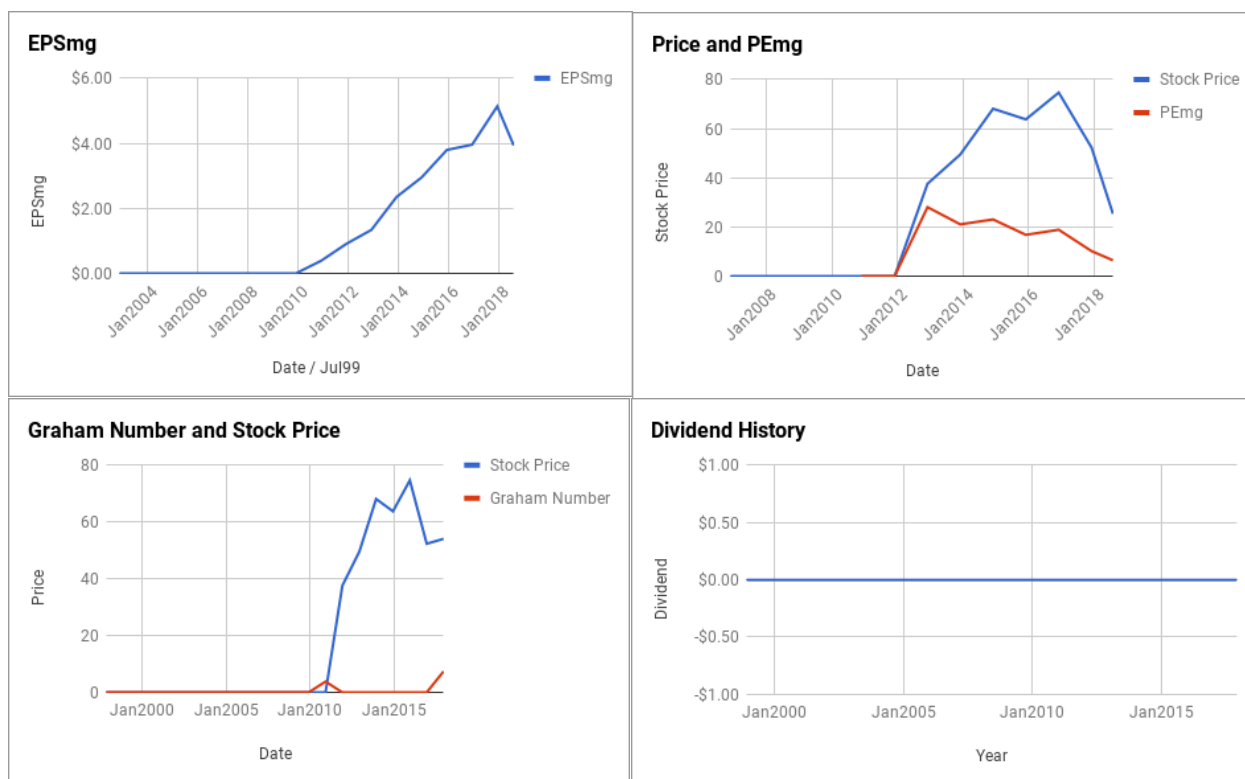
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$1.10		\$3.94
Dec2017	\$7.18	Dec2017	\$5.14
Dec2016	\$3.74	Dec2016	\$3.96
Dec2015	\$5.01	Dec2015	\$3.80
Dec2014	\$3.58	Dec2014	\$2.95
Dec2013	\$4.00	Dec2013	\$2.35
Dec2012	\$1.89	Dec2012	\$1.34
Dec2011	\$1.79	Dec2011	\$0.91
Dec2010	\$1.16	Dec2010	\$0.39
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information	
Dec2000	\$0.00	3/1/2018	
Dec1999	\$0.00	Total Current Assets	\$1,889,454,000
Dec1998	\$0.00	Total Current Liabilities	\$715,666,000
		Long-Term Debt	\$3,101,138,000
		Total Assets	\$5,113,367,000
		Intangible Assets	\$2,439,638,000
		Total Liabilities	\$4,852,256,000
		Shares Outstanding (Diluted Average)	61,719,000





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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