

# ModernGraham Valuation

Company Name:

Itron, Inc.

Company Ticker ITRI

Date of Analysis

7/29/2018



## 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	\$2,326,669,726	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.46	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	-148.61%	Fail
5. Earnings Growth	PEmg < 20	41.60	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.28	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	1.46	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.75	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.43
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$54.98</b>
MG Value based on 3% Growth	\$20.71
MG Value based on 0% Growth	\$12.14
Market Implied Growth Rate	16.55%

### MG Opinion

Current Price	\$59.40
% of Intrinsic Value	108.04%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>D+</b>

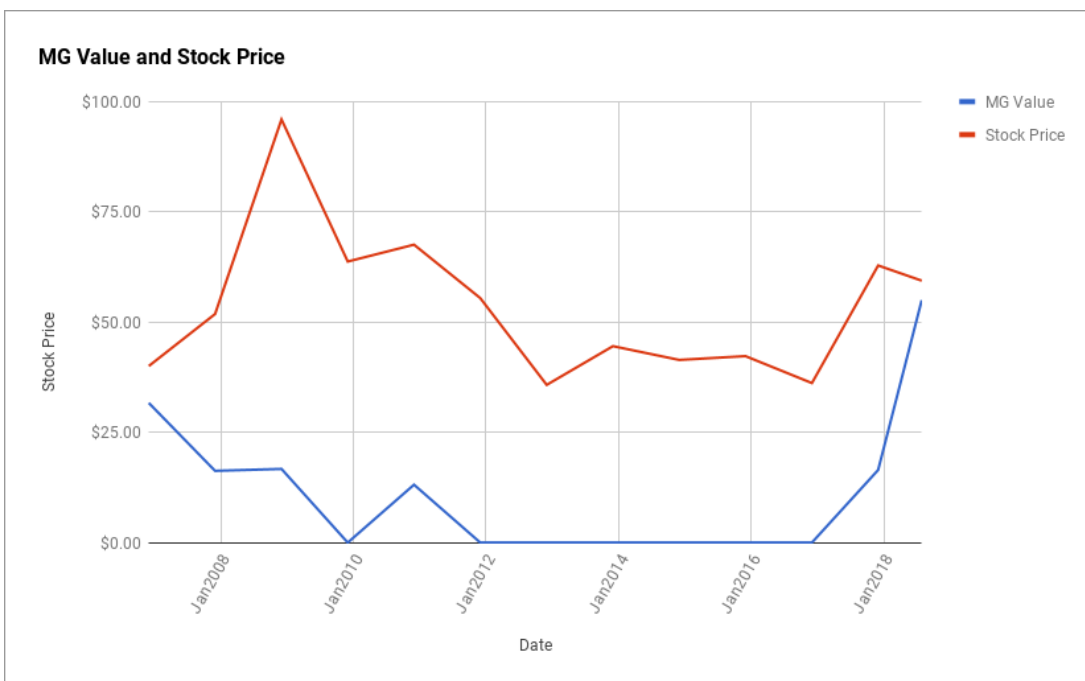
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$28.23
Graham Number	\$34.58
PEmg	41.60
Current Ratio	1.46
PB Ratio	3.28
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$2.62	Dec2017	\$1.43
Dec2016	\$1.45	Dec2016	\$0.43
Dec2015	\$0.82	Dec2015	-\$0.10
Dec2014	\$0.33	Dec2014	-\$1.31
Dec2013	-\$0.60	Dec2013	-\$2.20
Dec2012	-\$3.90	Dec2012	-\$2.75
Dec2011	\$2.71	Dec2011	-\$1.90
Dec2010	-\$12.56	Dec2010	-\$3.48
Dec2009	\$2.56	Dec2009	\$0.96
Dec2008	-\$0.06	Dec2008	\$0.28
Dec2007	\$0.57	Dec2007	\$0.46
Dec2006	-\$0.55	Dec2006	\$0.42
Dec2005	\$1.28	Dec2005	\$0.82
Dec2004	\$1.33	Dec2004	\$0.58
Dec2003	-\$0.25	Dec2003	\$0.24
Dec2002	\$0.48	Dec2002	\$0.14
Dec2001	\$0.41	Dec2001	-\$0.27
Dec2000	\$0.75	<b>Balance Sheet Information</b>	
Dec1999	\$0.18	<b>3/1/2018</b>	
Dec1998	-\$4.62	Total Current Assets	\$932,638,000
	-\$0.42	Total Current Liabilities	\$638,008,000
		Long-Term Debt	\$1,105,538,000
		Total Assets	\$2,736,529,000
		Intangible Assets	\$1,461,741,000
		Total Liabilities	\$2,031,926,000
		Shares Outstanding (Diluted Average)	38,945,000





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 [Iron Inc Valuation – Initial Coverage \\$ITRI](#)

Other  
ModernGraham  
posts about related  
companies [Ciena Corp Valuation – July 2018 \\$CIEN](#)  
[iRobot Corp Valuation – July 2018 \\$IRBT](#)  
[ScanSource Inc Valuation – July 2018 \\$SCSC](#)  
[Cognex Corp Valuation – July 2018 \\$CGNX](#)  
[Sanmina Corp Valuation – July 2018 \\$SANM](#)  
[II-VI Inc Valuation – July 2018 \\$IIVI](#)  
[CEVA Inc Valuation – July 2018 \\$CEVA](#)  
[MTS Systems Corp Valuation – June 2018 \\$MTSC](#)  
[Jabil Inc Valuation – June 2018 \\$JBL](#)  
[Arrow Electronics Inc Valuation – June 2018 \\$ARW](#)