

ModernGraham Valuation

Company Name:

Celestica Inc

Company Ticker TSE:CLS

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	\$2,199,285,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.91	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	131.29%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	13.63	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.25	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	1.91	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.14	Pass
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	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.12
MG Growth Estimate	10.08%
MG Value	\$32.23
MG Value based on 3% Growth	\$16.31
MG Value based on 0% Growth	\$9.56
Market Implied Growth Rate	2.56%

MG Opinion

Current Price	\$15.33
% of Intrinsic Value	47.57%
Opinion	Undervalued
MG Grade	B+

Stage 3: Information for Further Research

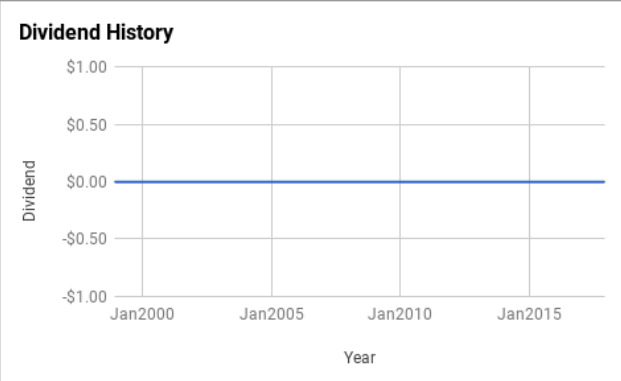
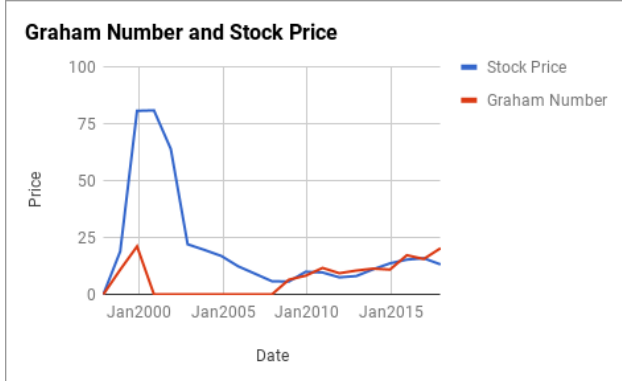
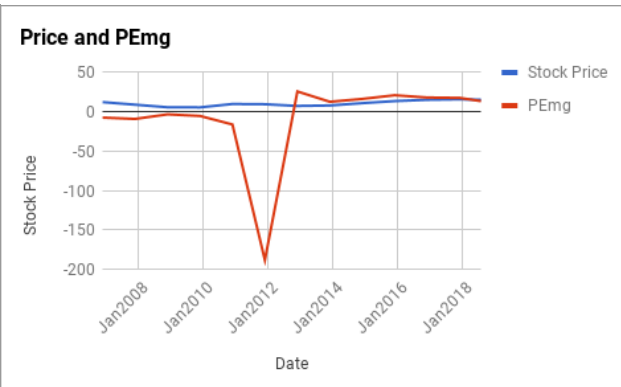
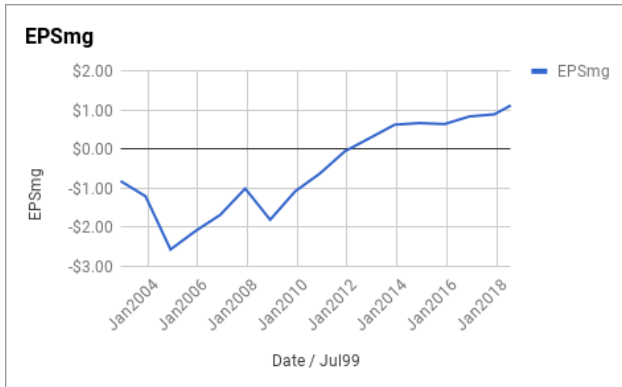
Net Current Asset Value (NCAV)	\$7.81
Graham Number	\$20.33
PEmg	13.63
Current Ratio	1.91
PB Ratio	1.25
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$1.51	Next Fiscal Year Estimate	\$1.12
Dec2017	\$0.92	Dec2017	\$0.90
Dec2016	\$1.27	Dec2016	\$0.84
Dec2015	\$0.58	Dec2015	\$0.65
Dec2014	\$0.69	Dec2014	\$0.67
Dec2013	\$0.68	Dec2013	\$0.63
Dec2012	\$0.55	Dec2012	\$0.29
Dec2011	\$0.90	Dec2011	-\$0.05
Dec2010	\$0.44	Dec2010	-\$0.62
Dec2009	\$0.25	Dec2009	-\$1.08
Dec2008	-\$3.87	Dec2008	-\$1.80
Dec2007	-\$0.06	Dec2007	-\$1.01
Dec2006	-\$0.76	Dec2006	-\$1.68
Dec2005	-\$0.24	Dec2005	-\$2.09
Dec2004	-\$4.69	Dec2004	-\$2.57
Dec2003	-\$1.62	Dec2003	-\$1.20
Dec2002	-\$3.09	Dec2002	-\$0.81
Dec2001	-\$0.41	Balance Sheet Information	
Dec2000	\$1.51	3/1/2018	
Dec1999	\$0.59	Total Current Assets	\$3,216,115,000
Dec1998	-\$0.82	Total Current Liabilities	\$1,687,662,000
		Long-Term Debt	\$207,320,000
		Total Assets	\$3,848,939,000
		Intangible Assets	\$57,036,000
		Total Liabilities	\$2,095,577,000
		Shares Outstanding (Diluted Average)	143,500,000





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.

Recommended Reading:

Other ModernGraham posts about the company

- [Best Stocks Below Their Graham Number – August 2017](#)
- [5 Undervalued Canadian Stocks for Intelligent Investors – February 2017](#)
- [15 Best Stocks for Value Investors This Week – 1/14/17](#)
- [Celestica Inc Valuation – Initial Coverage \\$TSE:CLS](#)

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](#)