# **ModernGraham Valuation**

# **Company Name:**

Saputo Inc.

Company Ticker TSE:SAP





## 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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$16,916,049,706 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.87 Fail
Earnings Stability	Positive EPS for 10 years prior	Pass
Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at	
<ol><li>Earnings Growth</li></ol>	beginning and end	105.14% Pass
Moderate PEmg Ratio	PEmg < 20	22.82 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.55 Fail

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	1.87 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.26 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

102.18%

Score

Suitability

MG Opinion

Defensive No Enterprising Yes

#### Stage 2: Determination of Intrinsic Value

EPSmg	\$1.91
MG Growth Estimate	6.92%
MG Value	\$42.65
MG Value based on 3% Growth	\$27.69
MG Value based on 0% Growth	\$16.23
Market Implied Growth Rate	7.16%
Current Price	\$43.58

% of Intrinsic Value Opinion **Fairly Valued** 

MG Grade

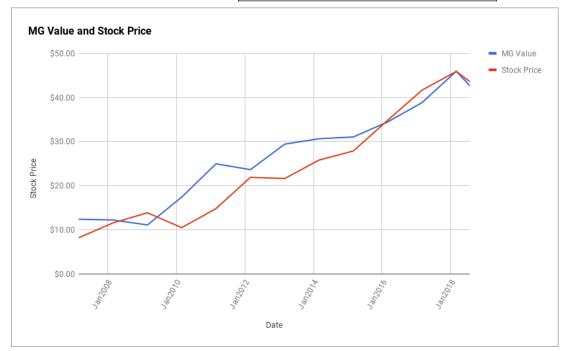
## Stage 3: Information for Further Research

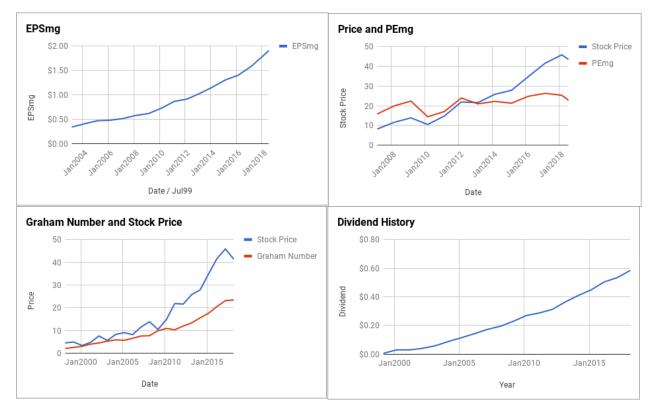
Net Current Asset Value (NCAV)	-\$2.01
Graham Number	\$23.43
PEmg	22.82
Current Ratio	1.87
PB Ratio	3.55
Current Dividend	\$0.63
Dividend Yield	1.45%
Number of Consecutive Years of Dividend	40
Growth	19

**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	*	Next Fiscal Year Estimate	\$1.91
Mar2018	\$2.18	Mar2018	\$1.81
Mar2017	\$1.84	Mar2017	\$1.58
Mar2016	\$1.51	Mar2016	\$1.40
Mar2015	\$1.53	Mar2015	\$1.31
Mar2014	\$1.35	Mar2014	\$1.16
Mar2013	\$1.21	Mar2013	\$1.03
Mar2012	\$0.93	Mar2012	\$0.92
Mar2011	\$1.08	Mar2011	\$0.87
Mar2010	\$0.92	Mar2010	\$0.73
Mar2009	\$0.67	Mar2009	\$0.62
Mar2008	\$0.69	Mar2008	\$0.58
Mar2007	\$0.57	Mar2007	\$0.52
Mar2006	\$0.46	Mar2006	\$0.48
Mar2005	\$0.55	Mar2005	\$0.47
Mar2004	\$0.51	Mar2004	\$0.41
Mar2003	\$0.42	Mar2003	\$0.34
Mar2002	\$0.39	Balance Sheet Information	3/1/2018
Mar2001	\$0.27	Total Current Assets	\$2,422,400,000
Mar2000	\$0.25	Total Current Liabilities	\$1,292,800,000
Mar1999	\$0.20	Long-Term Debt	\$1,420,900,000
	·	Total Assets	\$8,003,000,000
		Intangible Assets	\$3,240,400,000
		Total Liabilities	\$3,205,300,000
		Shares Outstanding (Diluted Average)	390,431,000





#### 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 Saputo Inc Valuation - Initial Coverage \$SAP

Other ModernGraham posts about related companies B&G Foods Inc Valuation – July 2018 \$BGS

Tyson Foods Inc Valuation – June 2018 \$TSN

Mondelez International Inc Valuation – June 2018 \$MDLZ

<u>Hormel Foods Corp Valuation – June 2018 \$HRL J M Smucker Co Valuation – May 2018 \$SJM</u>

Kraft Heinz Co Valuation – May 2018 \$KHC

<u>Dr Pepper Snapple Group Inc Valuation – May 2018 \$DPS</u>

Sysco Corp Valuation – May 2018 \$SYY

General Mills Inc Valuation – May 2018 \$GIS

Archer-Daniels Midland Co Valuation - May 2018 \$ADM