ModernGraham Valuation

Company Name:

Charles River Laboratories Intl. Inc



Company Ticker Date of Analysis

8/12/2018

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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$5,755,920,910 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.72 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	
5. Earnings Growth	beginning and end	-820.67% Fail
Moderate PEmg Ratio	PEmg < 20	33.52 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.99 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.72 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.84 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	Pass
	Score	

Suitability

Defensive No Nο Enterprising

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.60
MG Growth Estimate	15.00%
MG Value	\$138.52
MG Value based on 3% Growth	\$52.17
MG Value based on 0% Growth	\$30.58
Market Implied Growth Rate	12.51%

MG Opinion

Oninion	Fairly Valued
% of Intrinsic Value	87.05%
Current Price	\$120.59

D+ MG Grade

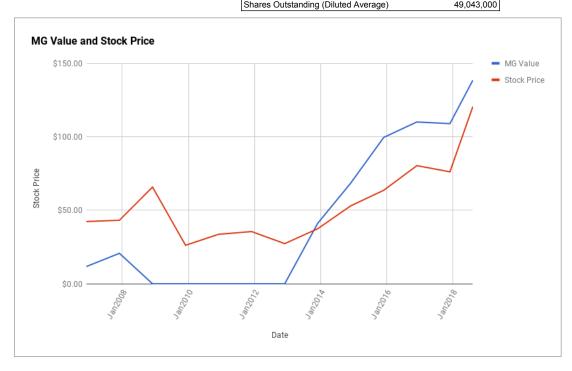
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$36.52
Graham Number	\$50.00
PEmg	33.52
Current Ratio	1.72
PB Ratio	4.99
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	\$5.04	Next Fiscal Year Estimate	\$3.60
	• • •		
Dec2017	\$2.54		\$2.83
Dec2016	\$3.23		\$2.86
Dec2015	\$3.13		\$2.59
Dec2014	\$2.66	Dec2014	\$1.78
Dec2013	\$2.12	Dec2013	\$1.07
Dec2012	\$2.01	Dec2012	-\$0.12
Dec2011	\$2.14	Dec2011	-\$1.26
Dec2010	-\$5.38	Dec2010	-\$2.64
Dec2009	\$1.74	Dec2009	-\$1.02
Dec2008	-\$7.76	Dec2008	-\$1.78
Dec2007	\$2.25	Dec2007	\$1.26
Dec2006	-\$0.81	Dec2006	\$0.88
Dec2005	\$1.96	Dec2005	\$1.62
Dec2004	\$1.67	Dec2004	\$1.29
Dec2003	\$1.64	Dec2003	\$0.99
Dec2002	\$1.06	Dec2002	\$0.75
Dec2001	\$0.80	Balance Sheet Information	6/1/2018
Dec2000	-\$0.40	Total Current Assets	\$889,530,000
Dec1999	\$0.86	Total Current Liabilities	\$518,140,000
Dec1998	\$2.27	Long-Term Debt	\$1,796,451,000
	•	Total Assets	\$3,865,883,000
		Intangible Assets	\$1,903,580,000
		Total Liabilities	\$2,680,678,000
		Shares Outstanding (Diluted Average)	49,043,000





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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Other ModernGraham posts about the company 5 Best Stocks for Value Investors This Week – 2/25/17

Charles River Laboratories Intl Inc Valuation - Initial Coverage \$CRL

Other ModernGraham posts about related companies <u>Conmed Corp Valuation – August 2018 \$CNMD</u> <u>Invacare Corp Valuation – July 2018 \$IVC</u>

Select Medical Holdings Corp Valuation – July 2018 \$SEM

<u>Chemed Corp Valuation – July 2018 \$CHE</u> <u>Inogen Inc Valuation – July 2018 \$INGN</u>

Tenet Healthcare Corp Valuation – June 2018 \$THC

<u>Universal Health Services Inc Valuation – June 2018 \$UHS</u>

Dentsply Sirona Inc Valuation - June 2018 \$XRAY

IDEXX Laboratories Inc Valuation - June 2018 \$IDXX

Hologic Inc Valuation – June 2018 \$HOLX