

ModernGraham Valuation

Company Name:

Company Ticker CRL
Date of Analysis

Charles River
Laboratories Intl. Inc

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.

1. 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 beginning and end	-820.67%	Fail
5. Earnings Growth	PEmg < 20	33.52	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.99	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	1.72	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
Enterprising	No

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

Current Price	\$120.59
% of Intrinsic Value	87.05%
Opinion	Fairly Valued
MG Grade	D+

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	Dec2017	\$2.83
Dec2016	\$3.23	Dec2016	\$2.86
Dec2015	\$3.13	Dec2015	\$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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