ModernGraham Valuation

Company Name:

Company Ticker SONC Date of Analysis Sonic Corporation





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	\$1,235,546,903	Fail
2	. Sufficiently Strong Financial Condition	Current Ratio > 2	1.78	Fail
3	. Earnings Stability	Positive EPS for 10 years prior		Pass
4	. Dividend Record	Dividend Payments for 10 years prior		Fail
5	. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	215.07%	Pass
6	. Moderate PEmg Ratio	PEmg < 20	23.09	Fail
7	. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-4.67	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	1.78 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	15.38 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
	Score	

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

	EPSmg		\$1.48
	MG Growth Estimate		15.00%
	MG Value		\$57.03
	MG Value based on 3% Growth		\$21.48
	MG Value based on 0% Growth		\$12.59
	Market Implied Growth Rate		7.30%
MG Opinion			
	Current Price		\$34.21
	% of Intrinsic Value		59.98%
	Opinion	Undervalued	
	MG Grade	В-	

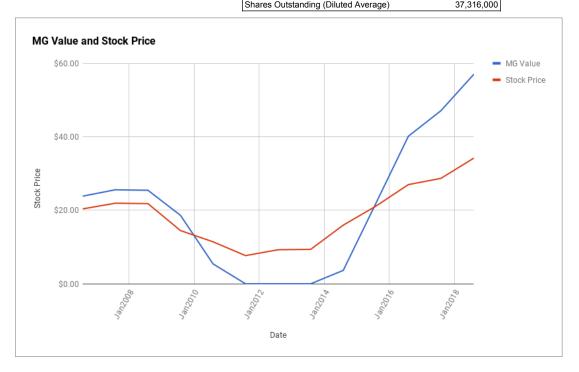
Stage 3: Information for Further Research

Net Curr	ent Asset Value (NCAV)	-\$19.15
Graham	Number	\$0.00
PEmg		23.09
Current	Ratio	1.78
PB Ratio)	-4.67
Current	Dividend	\$0.56
Dividend	I Yield	1.64%
Number Growth	of Consecutive Years of Dividend	3
Glowin		3

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EPS History		EPSmg History	
Next Fiscal Year			
Estimate		Next Fiscal Year Estimate	\$1.48
Aug2017	\$1.45	Aug2017	\$1.22
Aug2016	\$1.29	Aug2016	\$1.05
Aug2015	\$1.20	Aug2015	\$0.86
Aug2014	\$0.85	Aug2014	\$0.64
Aug2013	\$0.64	Aug2013	\$0.53
Aug2012	\$0.60	Aug2012	\$0.52
Aug2011	\$0.31	Aug2011	\$0.55
Aug2010	\$0.34	Aug2010	\$0.70
Aug2009	\$0.81	Aug2009	\$0.88
Aug2008	\$0.97	Aug2008	\$0.88
Aug2007	\$0.91	Aug2007	\$0.81
Aug2006	\$0.88	Aug2006	\$0.72
Aug2005	\$0.75	Aug2005	\$0.62
Aug2004	\$0.63	Aug2004	\$0.53
Aug2003	\$0.52	Aug2003	\$0.45
Aug2002	\$0.50	Aug2002	\$0.40
Aug2001	\$0.41	Balance Sheet Information	5/1/2018
Aug2000	\$0.35	Total Current Assets	\$104,135,000
Aug1999	\$0.28	Total Current Liabilities	\$58,512,000
Aug1998	\$0.20	Long-Term Debt	\$701,853,000
-		Total Assets	\$545,546,000
		Intangible Assets	\$75,344,000
		Total Liabilities	\$818,806,000
		Shares Outstanding (Diluted Average)	37,316,000





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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