

# ModernGraham Valuation

Company Name:

Snc-Lavalin Group Inc

Company Ticker TSE:SNC

Date of Analysis

8/4/2018



## 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	\$10,166,080,301	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.94	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-3.51%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	18.10	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.96	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	0.94	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-9.37	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		Fail
	Score		

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.12
MG Growth Estimate	-3.05%
<b>MG Value</b>	<b>\$7.49</b>
MG Value based on 3% Growth	\$45.30
MG Value based on 0% Growth	\$26.55
Market Implied Growth Rate	4.80%

### MG Opinion

Current Price	\$56.53
% of Intrinsic Value	755.24%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$24.99
Graham Number	\$49.52
PEmg	18.10
Current Ratio	0.94
PB Ratio	1.96
Current Dividend	\$1.09
Dividend Yield	1.93%
Number of Consecutive Years of Dividend Growth	18

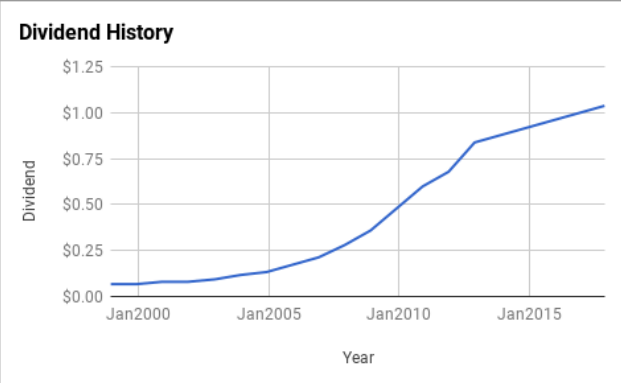
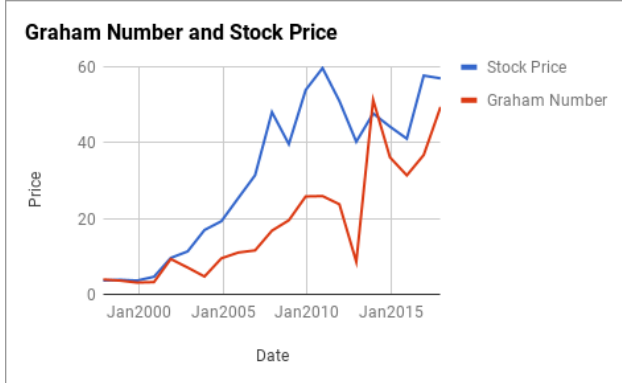
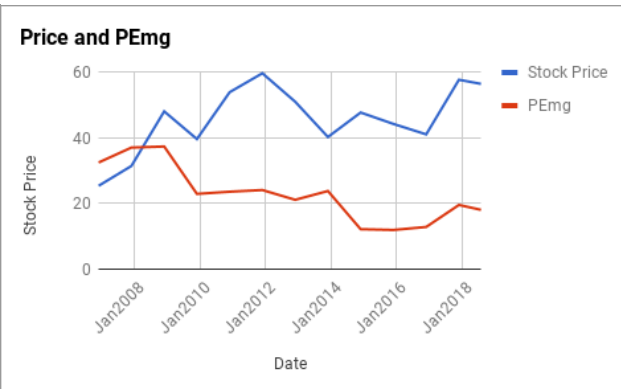
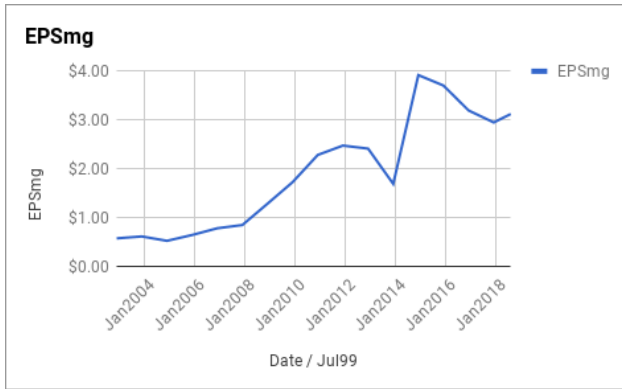
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.66	Next Fiscal Year Estimate	\$3.12
Dec2017	\$2.34	Dec2017	\$2.95
Dec2016	\$1.70	Dec2016	\$3.20
Dec2015	\$2.68	Dec2015	\$3.71
Dec2014	\$8.74	Dec2014	\$3.92
Dec2013	\$0.24	Dec2013	\$1.69
Dec2012	\$2.02	Dec2012	\$2.41
Dec2011	\$2.49	Dec2011	\$2.48
Dec2010	\$3.13	Dec2010	\$2.29
Dec2009	\$2.36	Dec2009	\$1.73
Dec2008	\$2.05	Dec2008	\$1.29
Dec2007	\$1.00	Dec2007	\$0.85
Dec2006	\$1.04	Dec2006	\$0.78
Dec2005	\$0.85	Dec2005	\$0.64
Dec2004	\$0.23	Dec2004	\$0.52
Dec2003	\$0.56	Dec2003	\$0.61
Dec2002	\$1.32	Dec2002	\$0.58
Dec2001	\$0.18	<b>Balance Sheet Information 3/1/2018</b>	
Dec2000	\$0.17	Total Current Assets	\$4,349,634,000
Dec1999	\$0.25	Total Current Liabilities	\$4,650,171,000
Dec1998	\$0.31	Long-Term Debt	\$2,815,686,000
		Total Assets	\$13,797,845,000
		Intangible Assets	\$7,548,369,000
		Total Liabilities	\$8,737,437,000
		Shares Outstanding (Diluted Average)	175,599,000





**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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