

# ModernGraham Valuation

Sykes Enterprises,  
Incorporated



## Company Name:

Company Ticker SYKE

Date of Analysis

10/2/2018

## 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	\$1,300,051,749	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.90	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	104.76%	Pass
6. Moderate PEmg Ratio	PEmg < 20	22.52	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.60	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	2.90	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.25	Pass
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 Score		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.35
MG Growth Estimate	6.50%
<b>MG Value</b>	<b>\$28.97</b>
MG Value based on 3% Growth	\$19.55
MG Value based on 0% Growth	\$11.46
Market Implied Growth Rate	7.01%

### MG Opinion

Current Price	\$30.36
% of Intrinsic Value	104.80%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>C+</b>

## Stage 3: Information for Further Research

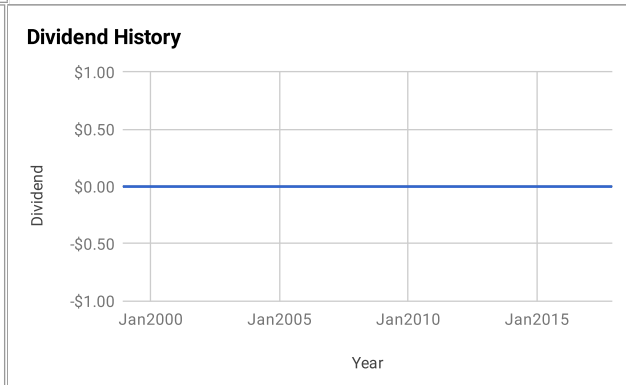
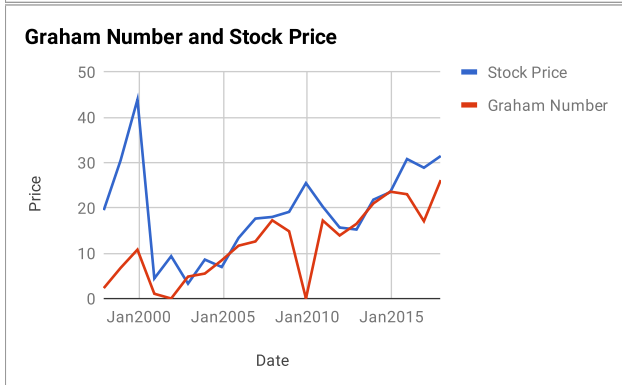
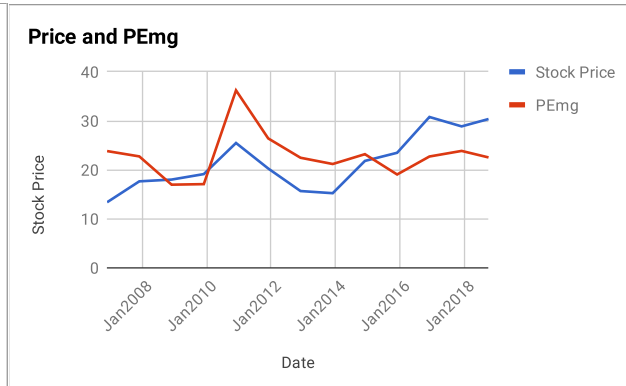
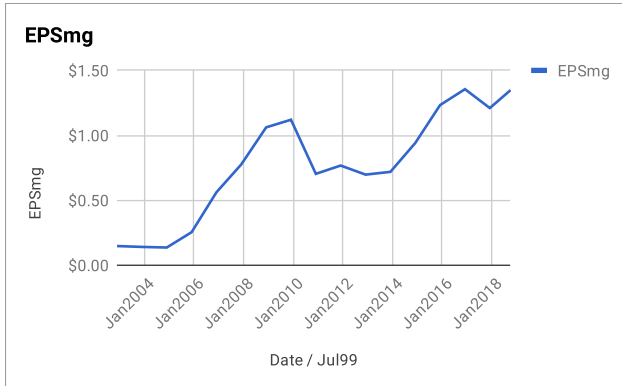
Net Current Asset Value (NCAV)	\$5.20
Graham Number	\$26.13
PEmg	22.52
Current Ratio	2.90
PB Ratio	1.60
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.63	Next Fiscal Year Estimate	\$1.35
Dec2017	\$0.76	Dec2017	\$1.21
Dec2016	\$1.48	Dec2016	\$1.36
Dec2015	\$1.62	Dec2015	\$1.23
Dec2014	\$1.35	Dec2014	\$0.94
Dec2013	\$0.87	Dec2013	\$0.72
Dec2012	\$0.66	Dec2012	\$0.70
Dec2011	\$1.06	Dec2011	\$0.77
Dec2010	-\$0.22	Dec2010	\$0.70
Dec2009	\$1.05	Dec2009	\$1.12
Dec2008	\$1.48	Dec2008	\$1.06
Dec2007	\$0.98	Dec2007	\$0.78
Dec2006	\$1.05	Dec2006	\$0.56
Dec2005	\$0.59	Dec2005	\$0.25
Dec2004	\$0.27	Dec2004	\$0.14
Dec2003	\$0.23	Dec2003	\$0.14
Dec2002	-\$0.46	Dec2002	\$0.15
Dec2001	\$0.01	<b>Balance Sheet Information 6/1/2018</b>	
Dec2000	\$1.13	Total Current Assets	\$552,963,000
Dec1999	\$0.51	Total Current Liabilities	\$190,904,000
Dec1998	\$0.06	Long-Term Debt	\$90,000,000
		Total Assets	\$1,134,401,000
		Intangible Assets	\$405,820,000
		Total Liabilities	\$333,538,000
		Shares Outstanding (Diluted Average)	42,160,000





**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**

- [6 Best Stocks for Value Investors This Week – 3/26/17](#)
- [Sykes Enterprises Inc Valuation – Initial Coverage \\$SYKE](#)

**Other ModernGraham posts about related companies**

- [Computer Programs and Systems Inc Valuation – August 2018 \\$CPSI](#)
- [Science Applications International Corp Valuation – July 2018 \\$SAIC](#)
- [Acxiom Corp Valuation – July 2018 \\$ACXM](#)
- [Infosys Ltd Valuation – June 2018 \\$INFY](#)
- [Verisign Inc Valuation – May 2018 \\$VRSN](#)
- [Motorola Solutions Inc Valuation – May 2018 \\$MSI](#)
- [Leidos Holdings Inc Valuation – April 2018 \\$LDOS](#)
- [Gartner Inc Valuation – March 2018 \\$IT](#)
- [Cognizant Technology Solutions Corp – March 2018 \\$CTSH](#)
- [International Business Machines Corp Valuation – February 2018 \\$IBM](#)