

# ModernGraham Valuation

## Company Name:

Company Ticker GPC  
Date of Analysis

Genuine Parts  
Company

1/30/2016



## 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	\$12,566,109,997	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.49	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	56.47%	Pass
6. Moderate PEmg Ratio	PEmg < 20	19.52	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.15	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	1.49	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.27	Pass
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

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.41
MG Growth Estimate	6.48%
<b>MG Value</b>	<b>\$94.75</b>
MG Value based on 3% Growth	\$63.99
MG Value based on 0% Growth	\$37.51
Market Implied Growth Rate	5.51%

### MG Opinion

Current Price	\$86.17
% of Intrinsic Value	90.95%
<b>Opinion</b>	<b>Fairly Valued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.81
Graham Number	\$46.26
PEmg	19.52
Current Ratio	1.49
PB Ratio	4.15
Dividend Yield	2.81%
Number of Consecutive Years of Dividend Growth	20

### 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	\$4.54	Next Fiscal Year Estimate	\$4.41
Dec2014	\$4.61	Dec2014	\$4.22
Dec2013	\$4.40	Dec2013	\$3.85
Dec2012	\$4.14	Dec2012	\$3.46
Dec2011	\$3.58	Dec2011	\$3.08
Dec2010	\$3.00	Dec2010	\$2.83
Dec2009	\$2.50	Dec2009	\$2.74
Dec2008	\$2.92	Dec2008	\$2.80
Dec2007	\$2.98	Dec2007	\$2.66
Dec2006	\$2.76	Dec2006	\$2.28
Dec2005	\$2.50	Dec2005	\$1.91
Dec2004	\$2.25	Dec2004	\$1.60
Dec2003	\$1.91	Dec2003	\$1.37
Dec2002	-\$0.16	Dec2002	\$1.26
Dec2001	\$1.71	Dec2001	\$1.97
Dec2000	\$2.20	Dec2000	\$2.07
Dec1999	\$2.11	Dec1999	\$1.85
Dec1998	\$1.98	<b>Balance Sheet Information                      Sep2015</b>	
Dec1997	\$1.90	Total Current Assets	\$5,623,482,000
Dec1996	\$1.81	Total Current Liabilities	\$3,764,068,000
Dec1995	\$0.00	Long-Term Debt	\$500,000,000
		Total Assets	\$8,203,128,000
		Intangible Assets	\$1,328,431,000
		Total Liabilities	\$5,044,342,000
		Shares Outstanding (Diluted Average)	152,143,000





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

[Dividend Growth Stocks for the Intelligent Investor – November 2015](#)  
[Genuine Parts Company Analysis – June 2015 Quarterly Update \\$GPC](#)  
[23 Companies in the Spotlight This Week – 3/9/15](#)  
[Genuine Parts Company Quarterly Valuation – March 2015 \\$GPC](#)  
[32 Companies in the Spotlight This Week – 12/6/14](#)

Other  
ModernGraham  
posts about related  
companies

[Ford Motor Company Valuation – January 2016 Update \\$F](#)  
[Harley-Davidson Inc Valuation – January 2016 Update \\$HOG](#)  
[AutoNation Inc Valuation – November 2015 Update \\$AN](#)  
[BorgWarner Inc. Valuation – November 2015 Update \\$BWA](#)  
[The Best Companies of the Auto Industry – October 2015](#)  
[Harley-Davidson Inc. Analysis – October 2015 Update \\$HOG](#)  
[Harman International Industries Analysis – September 2015 Update \\$HAR](#)  
[Genuine Parts Company Analysis – September 2015 Update \\$GPC](#)  
[Ford Motor Company Analysis – August 2015 Update \\$F](#)  
[Advance Auto Parts Inc. Analysis – Initial Coverage \\$AAP](#)