

ModernGraham Valuation

Company Name:

Company Ticker LABL

Date of Analysis

2/26/2017

Multi-Color
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	\$1,224,994,487	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.04	Pass
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	110.33%	Pass
5. Earnings Growth	PEmg < 20	25.91	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.51	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	2.04	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.02	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	\$2.79
MG Growth Estimate	13.49%
MG Value	\$98.91
MG Value based on 3% Growth	\$40.43
MG Value based on 0% Growth	\$23.70
Market Implied Growth Rate	8.71%

MG Opinion

Current Price	\$72.25
% of Intrinsic Value	73.05%
Opinion	Undervalued
MG Grade	C+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$26.47
Graham Number	\$39.96
PEmg	25.91
Current Ratio	2.04
PB Ratio	3.51
Current Dividend	\$0.20
Dividend Yield	0.28%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.43	Next Fiscal Year Estimate	\$2.79
Mar2016	\$2.82	Mar2016	\$2.34
Mar2015	\$2.71	Mar2015	\$2.00
Mar2014	\$1.70	Mar2014	\$1.59
Mar2013	\$1.86	Mar2013	\$1.47
Mar2012	\$1.32	Mar2012	\$1.31
Mar2011	\$1.40	Mar2011	\$1.32
Mar2010	\$1.16	Mar2010	\$1.28
Mar2009	\$0.92	Mar2009	\$1.28
Mar2008	\$2.18	Mar2008	\$1.36
Mar2007	\$1.08	Mar2007	\$0.91
Mar2006	\$0.95	Mar2006	\$0.78
Mar2005	\$0.80	Mar2005	\$0.67
Mar2004	\$0.66	Mar2004	\$0.59
Mar2003	\$0.66	Mar2003	\$0.53
Mar2002	\$0.51	Mar2002	\$0.38
Mar2001	\$0.40	Mar2001	\$0.26
Mar2000	\$0.60	Balance Sheet Information 12/1/2016	
Mar1999	\$0.15	Total Current Assets	\$235,117,000
Mar1998	-\$0.59	Total Current Liabilities	\$115,170,000
Mar1997	\$0.17	Long-Term Debt	\$482,380,000
		Total Assets	\$1,036,353,000
		Intangible Assets	\$560,746,000
		Total Liabilities	\$686,102,000
		Shares Outstanding (Diluted Average)	17,039,000





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

#N/A

Other
ModernGraham
posts about related
companies

[Korn-Ferry International Valuation – Initial Coverage \\$KFY](#)
[Capella Education Company Valuation – Initial Coverage \\$CPLA](#)
[Kelly Services Inc Valuation – Initial Coverage \\$KELYA](#)
[Alliance Data Systems Corp Valuation – February 2017 \\$ADS](#)
[John Wiley & Sons Inc Valuation – Initial Coverage \\$JW.A](#)
[Dun & Bradstreet Corp Valuation – January 2017 \\$DNB](#)
[Apollo Education Group Inc Valuation – January 2017 \\$APOL](#)
[Accenture PLC Valuation – December 2016 \\$ACN](#)
[Automatic Data Processing Valuation – November 2016 \\$ADP](#)
[United Rentals Inc Valuation – August 2016 \\$URI](#)