

# ModernGraham Valuation

## Company Name:

Company Ticker LAMR

Date of Analysis

2/28/2017

Lamar Advertising  
Company



## 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	\$6,254,866,800	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.14	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-934.91%	Fail
5. Earnings Growth	PEmg < 20	27.36	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	6.91	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	1.14	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	60.12	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.77
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$106.52</b>
MG Value based on 3% Growth	\$40.12
MG Value based on 0% Growth	\$23.52
Market Implied Growth Rate	9.43%

### MG Opinion

Current Price	\$75.69
% of Intrinsic Value	71.06%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C-</b>

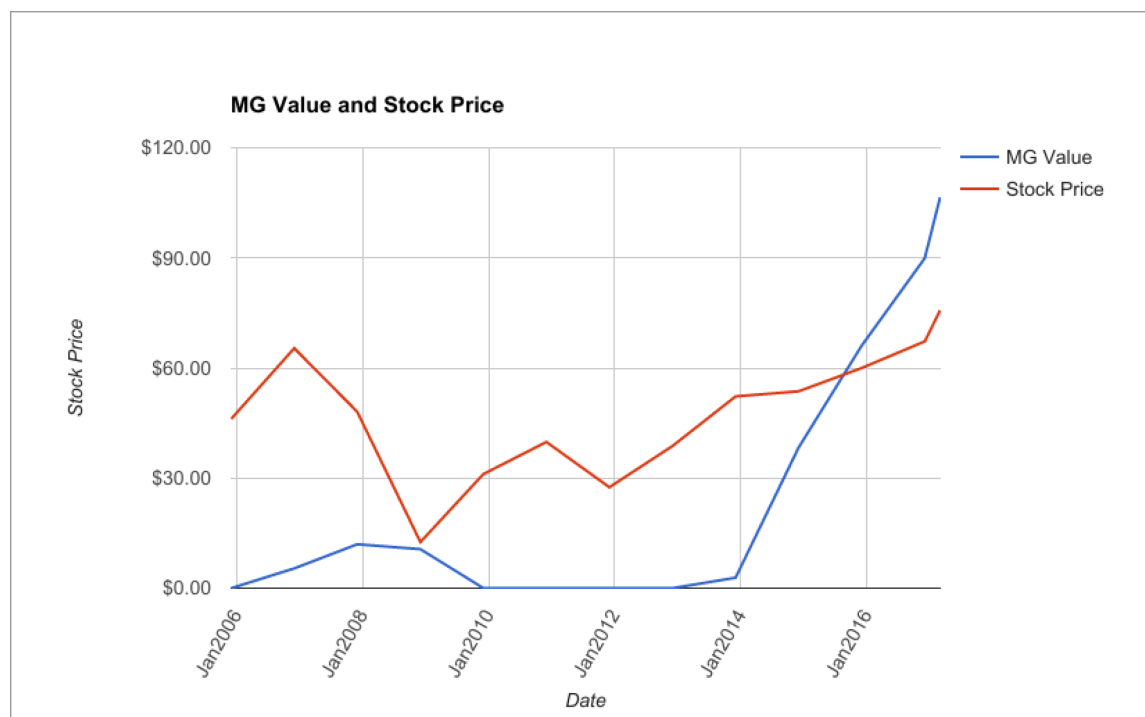
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$25.74
Graham Number	\$27.60
PEmg	27.36
Current Ratio	1.14
PB Ratio	6.91
Current Dividend	\$3.02
Dividend Yield	3.99%
Number of Consecutive Years of Dividend Growth	4

### 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	\$3.08	Next Fiscal Year Estimate	\$2.77
Dec2016	\$3.05	Dec2016	\$2.34
Dec2015	\$2.72	Dec2015	\$1.72
Dec2014	\$2.66	Dec2014	\$0.99
Dec2013	\$0.42	Dec2013	\$0.07
Dec2012	\$0.08	Dec2012	-\$0.13
Dec2011	\$0.07	Dec2011	-\$0.19
Dec2010	-\$0.44	Dec2010	-\$0.22
Dec2009	-\$0.64	Dec2009	-\$0.03
Dec2008	\$0.02	Dec2008	\$0.28
Dec2007	\$0.47	Dec2007	\$0.31
Dec2006	\$0.42	Dec2006	\$0.14
Dec2005	\$0.39	Dec2005	-\$0.12
Dec2004	\$0.12	Dec2004	-\$0.46
Dec2003	-\$0.78	Dec2003	-\$0.76
Dec2002	-\$0.36	Dec2002	-\$0.73
Dec2001	-\$1.11	Dec2001	-\$0.80
Dec2000	-\$1.04	<b>Balance Sheet Information 12/1/2016</b>	
Dec1999	-\$0.65	Total Current Assets	\$315,835,000
Dec1998	-\$0.24	Total Current Liabilities	\$277,324,000
Dec1997	\$0.05	Long-Term Debt	\$2,315,267,000
		Total Assets	\$3,900,466,000
		Intangible Assets	\$2,363,511,000
		Total Liabilities	\$2,830,938,000
		Shares Outstanding (Diluted Average)	97,693,000





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

[Nielsen NV Valuation – August 2016 \\$NLSN](#)  
[Interpublic Group of Companies Inc Valuation – August 2016 \\$IPG](#)  
[Omnicon Group Inc Valuation – July 2016 \\$OMC](#)  
[Nielsen NV Analysis – July 2015 Update \\$NLSN](#)  
[Interpublic Group of Companies Inc. Annual Valuation – 2015 \\$IPG](#)  
[Nielsen N.V. Annual Valuation – 2014 \\$NLSN](#)  
[Interpublic Group of Companies \(IPG\) Annual Valuation – 2014](#)