

ModernGraham Valuation

Lumentum Holdings
Inc



Company Name:

Company Ticker LITE

Date of Analysis

3/18/2017

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	\$3,228,875,975	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.61	Pass
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	529900.00%	Pass
5. Earnings Growth	PEmg < 20	138.64	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	6.00	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	2.61	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.36
MG Growth Estimate	15.00%
MG Value	\$13.73
MG Value based on 3% Growth	\$5.17
MG Value based on 0% Growth	\$3.03
Market Implied Growth Rate	65.07%

MG Opinion

Current Price	\$49.45
% of Intrinsic Value	360.12%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

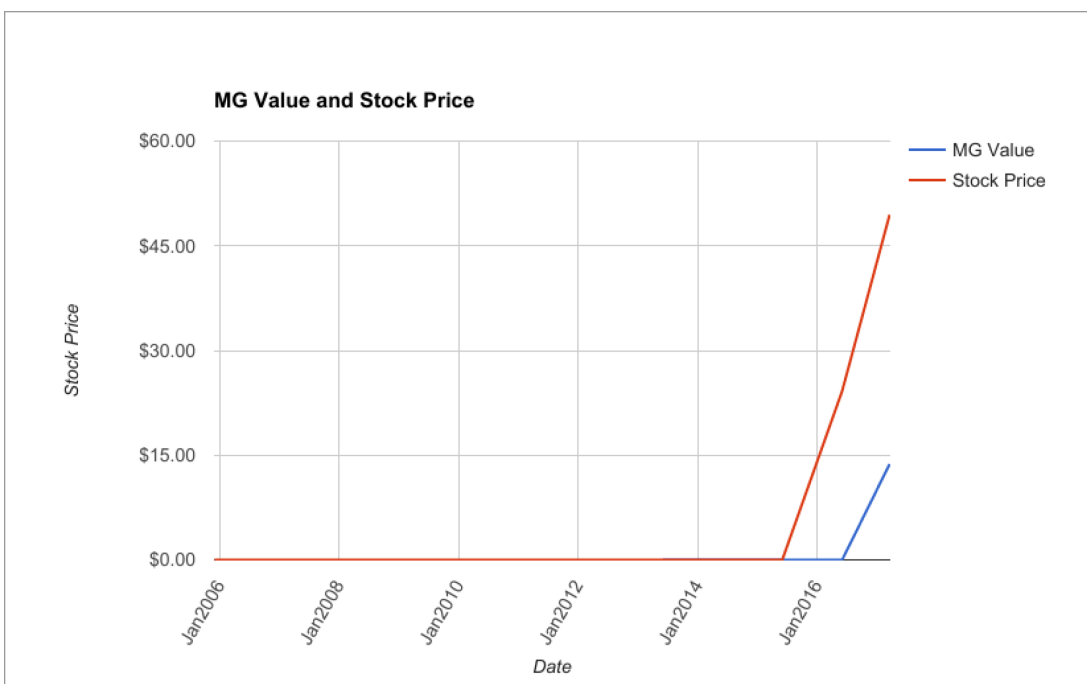
Net Current Asset Value (NCAV)	\$3.94
Graham Number	\$14.59
PEmg	138.64
Current Ratio	2.61
PB Ratio	6.00
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

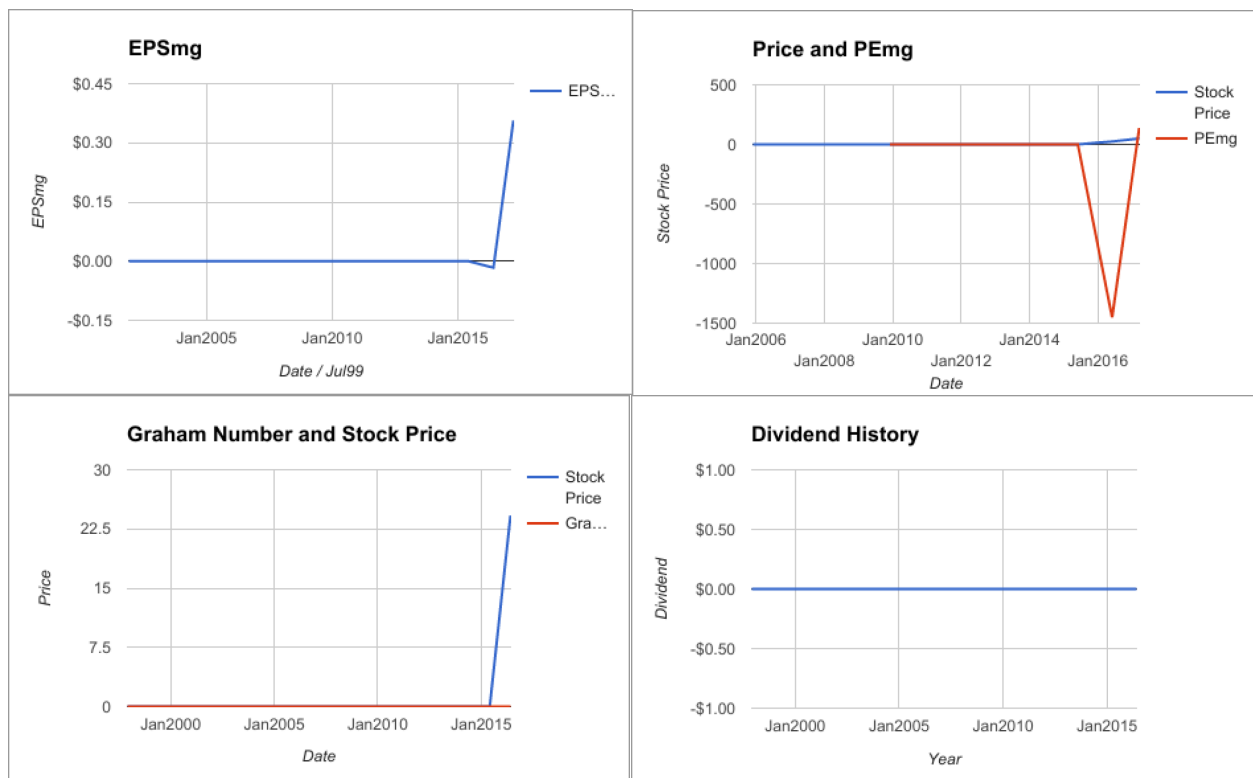
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$1.11		\$0.36
Jun2016	-\$0.05	Jun2016	-\$0.02
Jun2015	\$0.00	Jun2015	\$0.00
Jun2014	\$0.00	Jun2014	\$0.00
Jun2013	\$0.00	Jun2013	\$0.00
Jun2012	\$0.00	Jun2012	\$0.00
Dec2011	\$0.00	Dec2011	\$0.00
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information 12/1/2016	
Dec1999	\$0.00	Total Current Assets	\$527,600,000
Dec1998	\$0.00	Total Current Liabilities	\$202,000,000
Dec1997	\$0.00	Long-Term Debt	\$0
		Total Assets	\$796,700,000
		Intangible Assets	\$16,000,000
		Total Liabilities	\$280,300,000
		Shares Outstanding (Diluted Average)	62,700,000





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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#N/A

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