

# ModernGraham Valuation

## Company Name:

Company Ticker LL

Date of Analysis

Lumber Liquidators  
Holdings Inc

3/20/2017



## 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	\$544,058,392	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.93	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	-306.99%	Fail
5. Earnings Growth	PEmg < 20	-20.27	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.25	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	1.93	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.23	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		Fail

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.94
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$3.76</b>
MG Value based on 3% Growth	-\$13.62
MG Value based on 0% Growth	-\$7.98
Market Implied Growth Rate	-14.38%

### MG Opinion

Current Price	\$19.04
% of Intrinsic Value	506.06%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

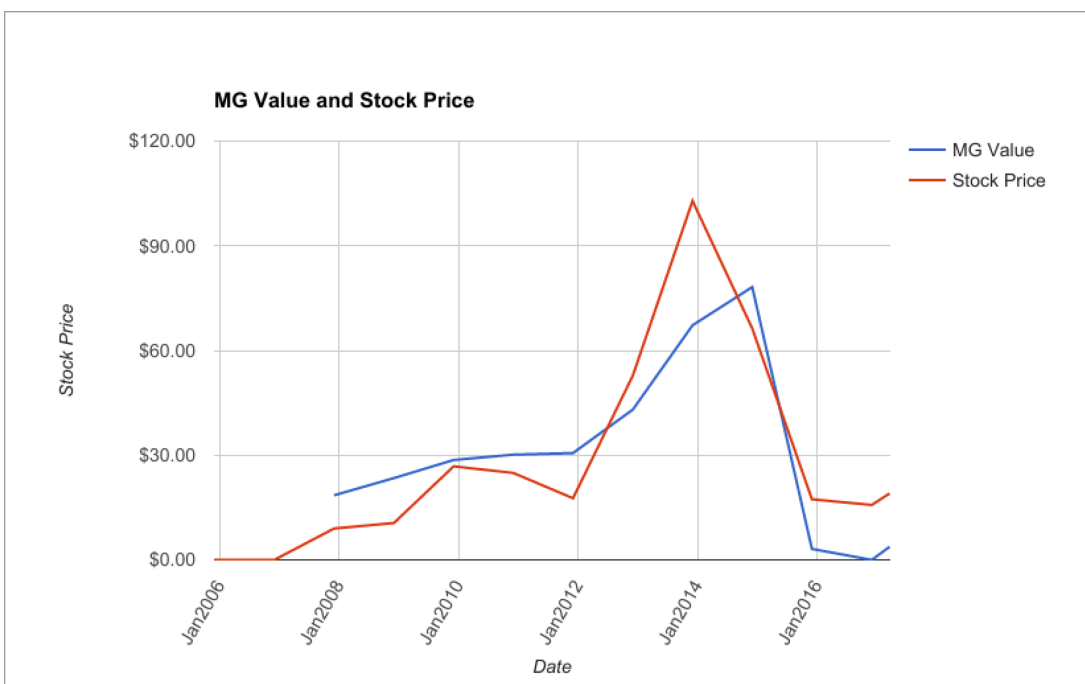
## Stage 3: Information for Further Research

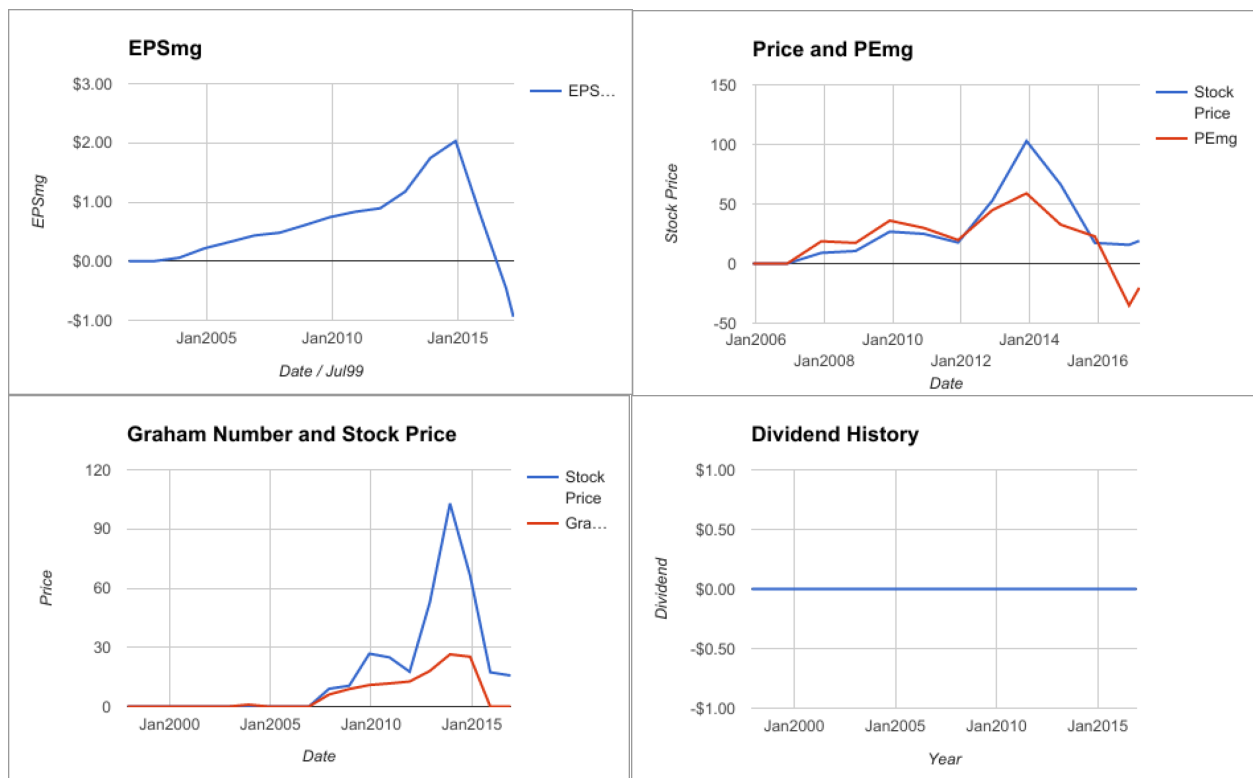
Net Current Asset Value (NCAV)	\$3.76
Graham Number	\$0.00
PEmg	-20.27
Current Ratio	1.93
PB Ratio	2.25
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### 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	-\$1.04	Next Fiscal Year Estimate	-\$0.94
Dec2016	-\$2.51	Dec2016	-\$0.45
Dec2015	-\$2.08	Dec2015	\$0.76
Dec2014	\$2.31	Dec2014	\$2.03
Dec2013	\$2.77	Dec2013	\$1.75
Dec2012	\$1.68	Dec2012	\$1.18
Dec2011	\$0.93	Dec2011	\$0.89
Dec2010	\$0.93	Dec2010	\$0.83
Dec2009	\$0.97	Dec2009	\$0.74
Dec2008	\$0.82	Dec2008	\$0.61
Dec2007	\$0.48	Dec2007	\$0.48
Dec2006	\$0.56	Dec2006	\$0.43
Dec2005	\$0.46	Dec2005	\$0.32
Dec2004	\$0.51	Dec2004	\$0.22
Dec2003	\$0.17	Dec2003	\$0.06
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	<b>Balance Sheet Information 12/1/2016</b>	
Dec1999	\$0.00	Total Current Assets	\$360,395,000
Dec1998	\$0.00	Total Current Liabilities	\$186,712,000
Dec1997	\$0.00	Long-Term Debt	\$40,000,000
		Total Assets	\$488,634,000
		Intangible Assets	\$9,693,000
		Total Liabilities	\$257,742,000
		Shares Outstanding (Diluted Average)	27,284,000





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

[Target Corp Valuation – March 2017 \\$TGT](#)  
[Foot Locker Inc Valuation – Initial Coverage \\$FL](#)  
[Ulta Beauty Inc Valuation – Initial Coverage \\$ULTA](#)  
[Kohl's Corporation Valuation – March 2017 \\$KSS](#)  
[Stamps.com Inc Valuation – Initial Coverage \\$STMP](#)  
[Kirkland's Inc Valuation – Initial Coverage \\$KIRK](#)  
[Dollar Tree Inc Valuation – February 2017 \\$DLTR](#)  
[Staples Inc Valuation – February 2017 \\$SPLS](#)  
[Stein Mart Inc Valuation – Initial Coverage \\$SMRT](#)  
[J C Penney Company Inc Valuation – Initial Coverage \\$JCP](#)