ModernGraham Valuation

Company Name: Luminex Corporation

Company Ticker LMNX

Date of Analysis 3/25/2017

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	$743,603,870	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.32	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	107.94%	Pass
6. Moderate PEmg Ratio	PEmg < 20	41.65	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.93	Pass

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	4.32	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	**No**
Enterprising	**Yes**

Stage 2: Determination of Intrinsic Value

EPSmg		$0.44
MG Growth Estimate		11.23%
MG Value		**$13.50**
MG Value based on 3% Growth		$6.32
MG Value based on 0% Growth		$3.71
Market Implied Growth Rate		16.58%

MG Opinion

Current Price		$18.16
% of Intrinsic Value		134.53%
Opinion	**Overvalued**	
MG Grade	**C-**	

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	$2.95
Graham Number	$5.21
PEmg	41.65
Current Ratio	4.32
PB Ratio	1.93
Current Dividend	$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

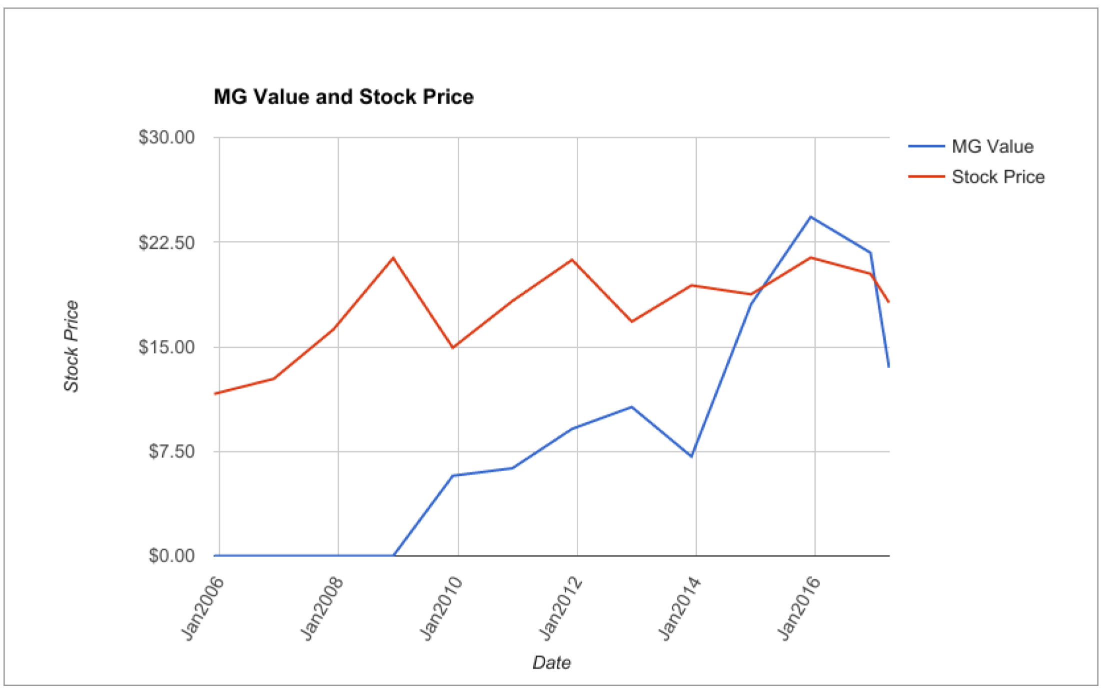
Useful Links:

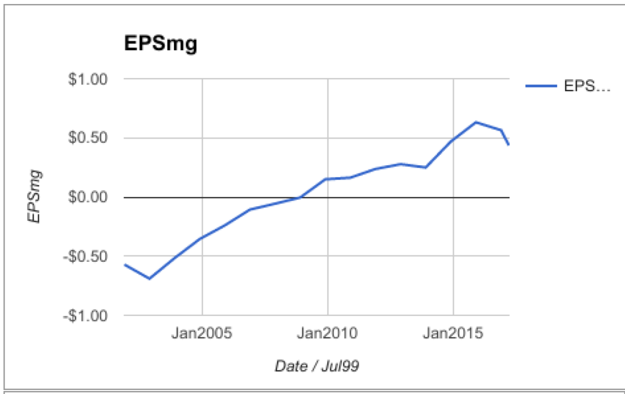
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

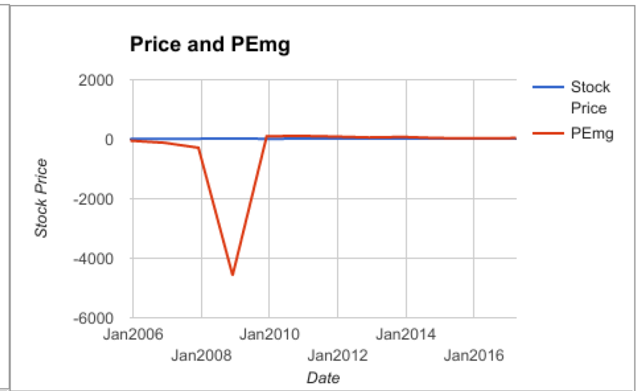
EPS History	
Next Fiscal Year Estimate	$0.13
Dec2016	$0.32
Dec2015	$0.86
Dec2014	$0.93
Dec2013	$0.17
Dec2012	$0.30
Dec2011	$0.34
Dec2010	$0.12
Dec2009	$0.43
Dec2008	$0.08
Dec2007	-$0.08
Dec2006	$0.05
Dec2005	-$0.09
Dec2004	-$0.12
Dec2003	-$0.14
Dec2002	-$0.85
Dec2001	-$0.55
Dec2000	-$0.52
Dec1999	-$0.96
Dec1998	-$0.43
Dec1997	$0.00

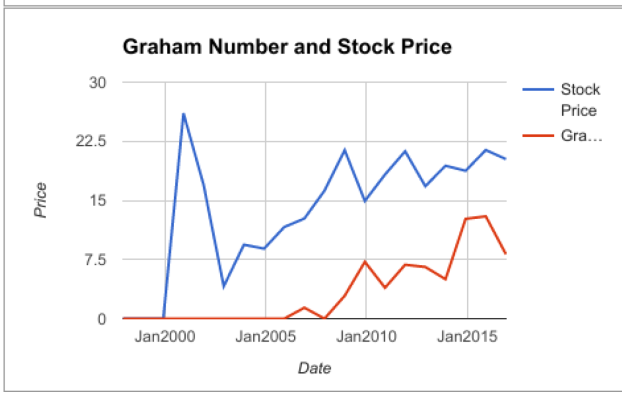
EPSmg History	
Next Fiscal Year Estimate	$0.44
Dec2016	$0.56
Dec2015	$0.63
Dec2014	$0.47
Dec2013	$0.25
Dec2012	$0.28
Dec2011	$0.24
Dec2010	$0.16
Dec2009	$0.15
Dec2008	$0.00
Dec2007	-$0.06
Dec2006	-$0.11
Dec2005	-$0.24
Dec2004	-$0.36
Dec2003	-$0.52
Dec2002	-$0.69
Dec2001	-$0.57

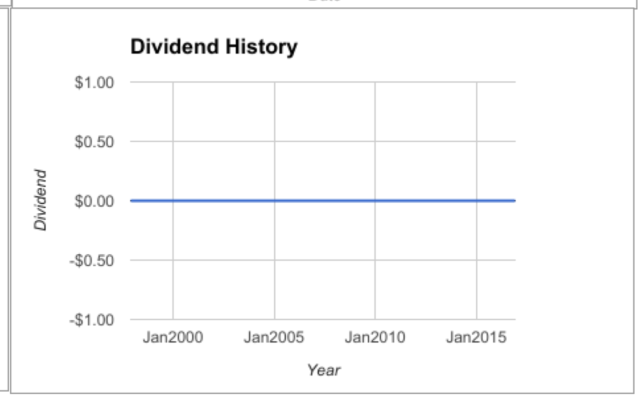
Balance Sheet Information	**12/1/2016**
Total Current Assets	$173,737,000
Total Current Liabilities	$40,200,000
Long-Term Debt	$0
Total Assets	$450,716,000
Intangible Assets	$173,889,000
Total Liabilities	$47,037,000
Shares Outstanding (Diluted Average)	43,013,000











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	LHC Group Inc Valuation – Initial Coverage $LHCG Dentsply Sirona Inc Valuation – March 2017 $XRAY Landauer Inc Valuation – Initial Coverage $LDR IDEXX Laboratories Inc Valuation – Initial Coverage $IDXX Hologic Inc Valuation – Initial Coverage $HOLX Mettler-Toledo International Inc Valuation – Initial Coverage $MTD Envision Healthcare Corp Valuation – Initial Coverage $EVHC UnitedHealth Group Inc Valuation – February 2017 $UNH Davita Inc Valuation – February 2017 $DVA Steris PLC Valuation – Initial Coverage $STE