

ModernGraham Valuation

Company Name:

Lumos Networks Corp

Company Ticker LMOS

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	\$416,238,869	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.13	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	2766.67%	Pass
5. Earnings Growth	PEmg < 20	43.00	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.08	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	2.13	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.55	Fail
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	\$0.41
MG Growth Estimate	15.00%
MG Value	\$15.81
MG Value based on 3% Growth	\$5.95
MG Value based on 0% Growth	\$3.49
Market Implied Growth Rate	17.25%

MG Opinion

Current Price	\$17.66
% of Intrinsic Value	111.70%
Opinion	Overvalued
MG Grade	D

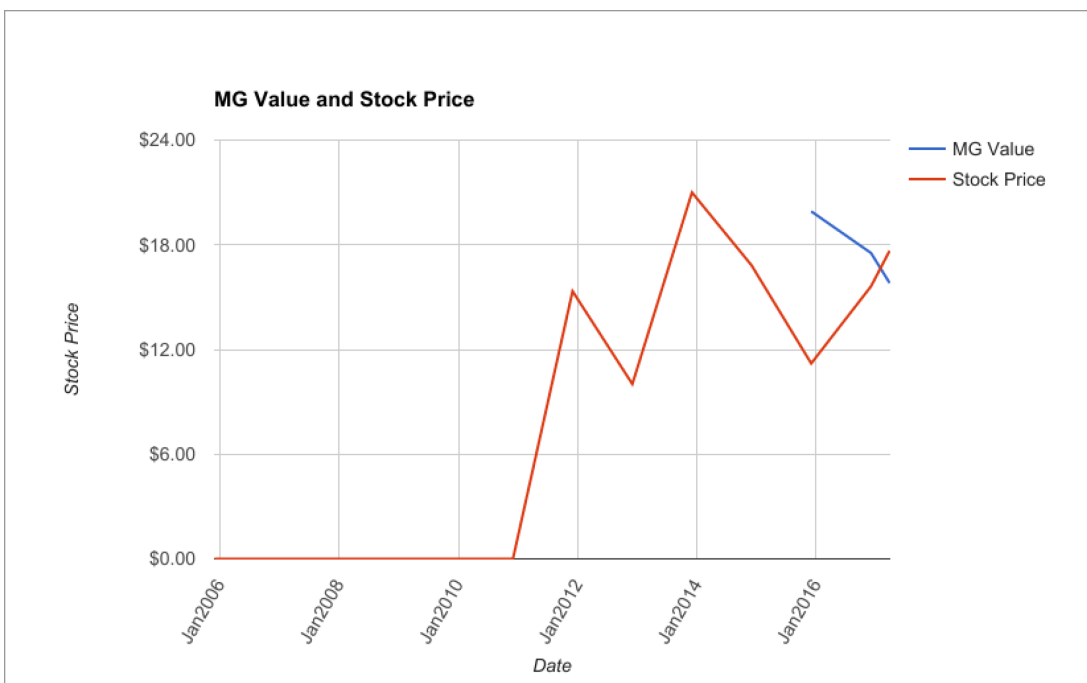
Stage 3: Information for Further Research

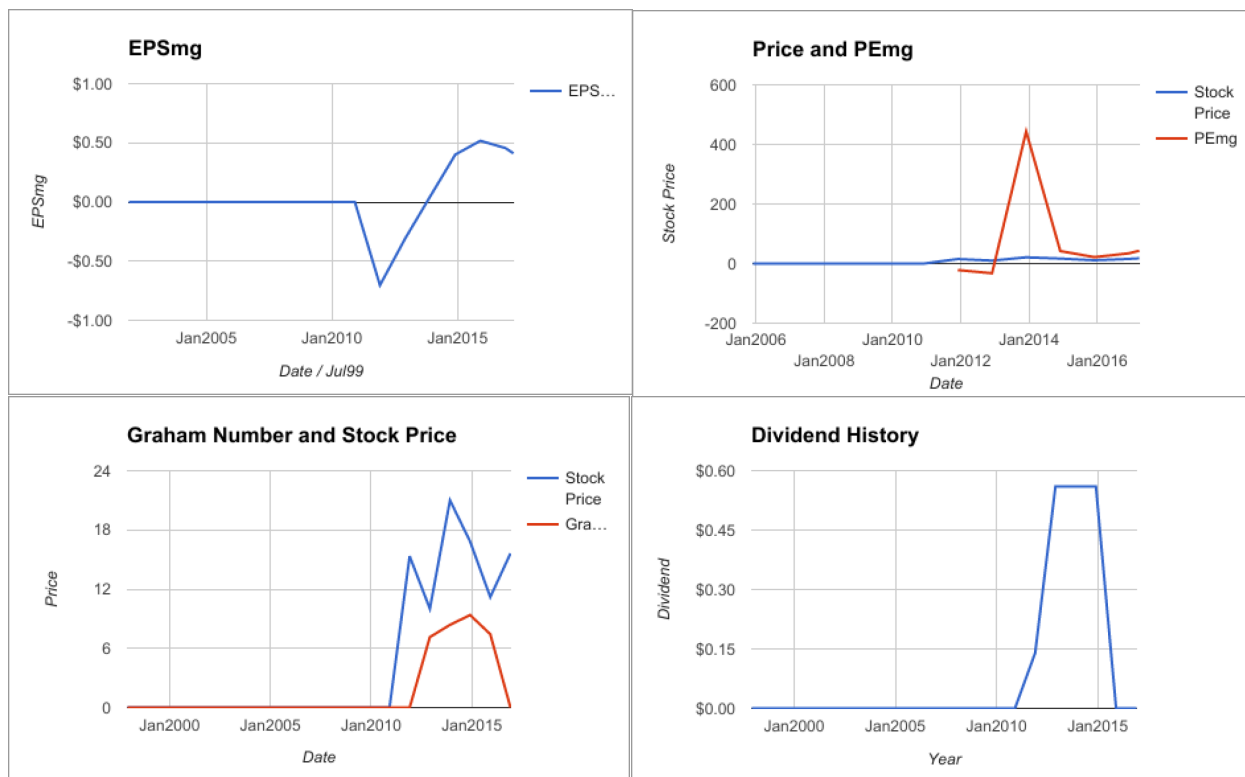
Net Current Asset Value (NCAV)	-\$21.96
Graham Number	\$7.62
PEmg	43.00
Current Ratio	2.13
PB Ratio	3.08
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

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

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$0.45		\$0.41
Dec2016	-\$0.02	Dec2016	\$0.46
Dec2015	\$0.43	Dec2015	\$0.52
Dec2014	\$0.95	Dec2014	\$0.40
Dec2013	\$0.80	Dec2013	\$0.05
Dec2012	\$0.76	Dec2012	-\$0.31
Dec2011	-\$2.11	Dec2011	-\$0.70
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	\$100,505,000
Dec1998	\$0.00	Total Current Liabilities	\$47,286,000
Dec1997	\$0.00	Long-Term Debt	\$454,885,000
		Total Assets	\$753,372,000
		Intangible Assets	\$108,800,000
		Total Liabilities	\$618,198,000
		Shares Outstanding (Diluted Average)	23,576,000





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

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[Verizon Communications Inc Valuation – July 2016 \\$VZ](#)
[AT&T Inc Valuation – July 2016 \\$T](#)
[Harris Corporation Valuation – February 2016 \\$HRS](#)
[CenturyLink Inc Valuation – February 2016 \\$CTL](#)
[Frontier Communications Corp Valuation – November 2015 Update \\$FTR](#)
[Harris Corporation Analysis – September 2015 Update \\$HRS](#)
[Arris Group Inc. Analysis – Initial Coverage \\$ARRS](#)
[Level 3 Communications Inc. Analysis – Initial Coverage \\$LVT](#)
[Windstream Holdings Analysis – 2015 Update \\$WIN](#)