

# ModernGraham Valuation

LABRADOR IRON  
ORE ROYALTY  
CORPORATION



## Company Name:

Company Ticker TSE:LIF

Date of Analysis

3/17/2017

## 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	\$1,271,680,000	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.61	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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		
5. Earnings Growth		-40.81%	Fail
6. Moderate PEmg Ratio	PEmg < 20	12.67	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.18	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	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		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.57
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	\$22.74
MG Value based on 0% Growth	\$13.33
Market Implied Growth Rate	2.09%

### MG Opinion

Current Price	\$19.87
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>B</b>

## Stage 3: Information for Further Research

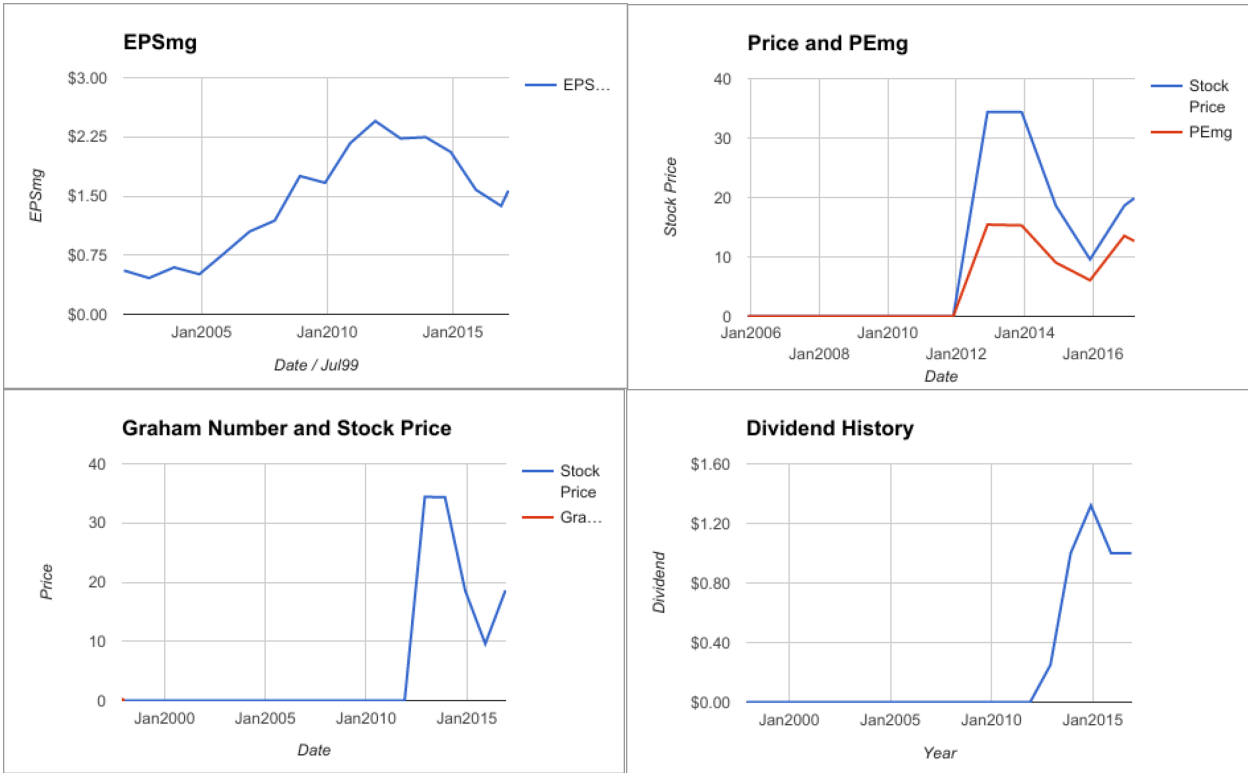
Net Current Asset Value (NCAV)	-\$1.41
Graham Number	\$20.76
PEmg	12.67
Current Ratio	2.61
PB Ratio	2.18
Current Dividend	\$1.00
Dividend Yield	5.03%
Number of Consecutive Years of Dividend Growth	0

### 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>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.10	Next Fiscal Year Estimate	\$1.57
Dec2016	\$1.22	Dec2016	\$1.37
Dec2015	\$0.85	Dec2015	\$1.58
Dec2014	\$1.63	Dec2014	\$2.06
Dec2013	\$2.33	Dec2013	\$2.25
Dec2012	\$1.56	Dec2012	\$2.23
Dec2011	\$2.80	Dec2011	\$2.45
Dec2010	\$3.11	Dec2010	\$2.17
Dec2009	\$1.18	Dec2009	\$1.67
Dec2008	\$2.76	Dec2008	\$1.75
Dec2007	\$1.27	Dec2007	\$1.19
Dec2006	\$1.48	Dec2006	\$1.05
Dec2005	\$1.35	Dec2005	\$0.78
Dec2004	\$0.32	Dec2004	\$0.51
Dec2003	\$0.92	Dec2003	\$0.60
Dec2002	\$0.19	Dec2002	\$0.46
Dec2001	\$0.49	Dec2001	\$0.56
Dec2000	\$0.79	<b>Balance Sheet Information 12/1/2016</b>	
Dec1999	\$0.52	Total Current Assets	\$62,915,000
Dec1998	\$0.59	Total Current Liabilities	\$24,073,000
Dec1997	\$0.00	Long-Term Debt	\$0
		Total Assets	\$736,978,000
		Intangible Assets	\$0
		Total Liabilities	\$153,133,000
		Shares Outstanding (Diluted Average)	64,076,000





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

- [Steel Dynamics Inc Valuation – Initial Coverage \\$STLD](#)
- [Carpenter Technology Corp Valuation – Initial Coverage \\$CRS](#)
- [Commercial Metals Company Valuation – Initial Coverage \\$CMC](#)
- [Cliffs Natural Resources Inc Valuation – January 2017 \\$CLF](#)
- [Nucor Corporation Valuation – December 2016 \\$NUE](#)
- [Nucor Corp Valuation – August 2016 \\$NUE](#)
- [United States Steel Corp Valuation – July 2016 \\$X](#)
- [Nucor Corp Valuation – February 2016 Update \\$NUE](#)
- [Allegheny Technologies Inc. Valuation – November 2015 Update \\$ATI](#)
- [Nucor Corporation Analysis – September 2015 Update \\$NUE](#)