

ModernGraham Valuation

Company Name:

Company Ticker LOCO

Date of Analysis

4/4/2017

El Pollo LoCo
Holdings Inc



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	\$440,763,196	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.79	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	5700.00%	Pass
5. Earnings Growth	PEmg < 20	19.59	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.71	Pass
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	0.79	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-11.03	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.59
MG Growth Estimate	15.00%
MG Value	\$22.79
MG Value based on 3% Growth	\$8.58
MG Value based on 0% Growth	\$5.03
Market Implied Growth Rate	5.55%

MG Opinion

Current Price	\$11.60
% of Intrinsic Value	50.90%
Opinion	Undervalued
MG Grade	C-

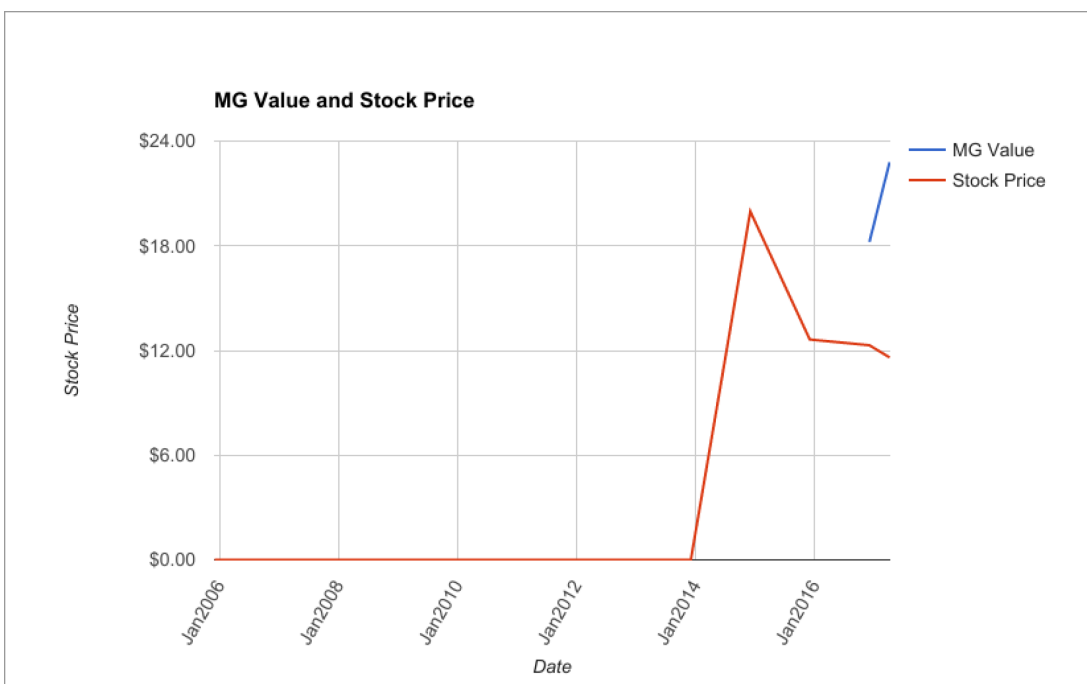
Stage 3: Information for Further Research

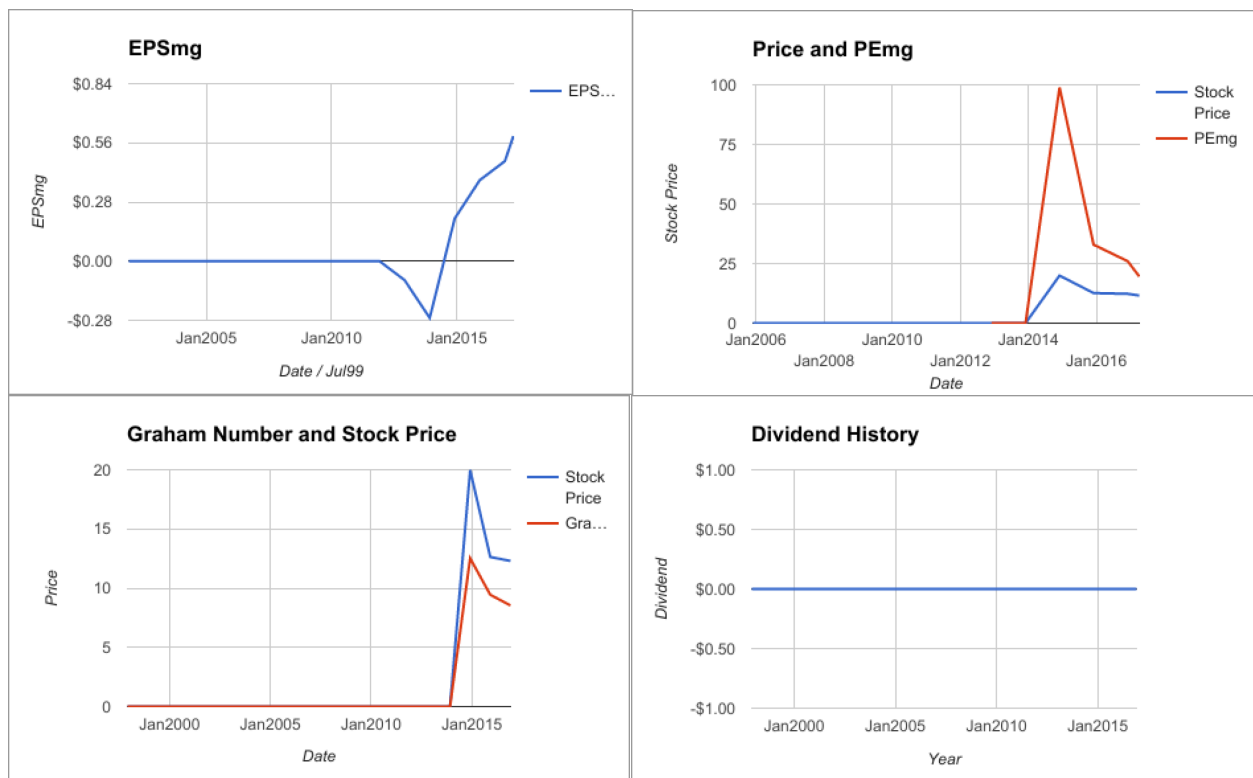
Net Current Asset Value (NCAV)	-\$4.36
Graham Number	\$10.04
PEmg	19.59
Current Ratio	0.79
PB Ratio	1.71
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$0.65	Next Fiscal Year Estimate	\$0.59
Dec2016	\$0.47	Dec2016	\$0.47
Dec2015	\$0.62	Dec2015	\$0.38
Dec2014	\$1.24	Dec2014	\$0.20
Dec2013	-\$0.59	Dec2013	-\$0.27
Dec2012	-\$0.27	Dec2012	-\$0.09
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	\$35,885,000
Dec1998	\$0.00	Total Current Liabilities	\$45,318,000
Dec1997	\$0.00	Long-Term Debt	\$104,000,000
		Total Assets	\$471,305,000
		Intangible Assets	\$311,046,000
		Total Liabilities	\$206,123,000
		Shares Outstanding (Diluted Average)	39,027,000





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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[Sonic Corporation Valuation – Initial Coverage \\$SONC](#)
[Darden Restaurants Inc Valuation – February 2017 \\$DRI](#)
[Jack in the Box Inc Valuation – Initial Coverage \\$JACK](#)
[Chuy's Holdings Inc Valuation – Initial Coverage \\$CHUY](#)
[Yum Brands Inc Valuation – December 2016 \\$YUM](#)
[McDonald's Corp Valuation – November 2016 \\$MCD](#)
[Chipotle Mexican Grill Inc Valuation – August 2016 \\$CMG](#)
[Yum! Brands Inc Valuation – August 2016 \\$YUM](#)
[Starbucks Corp Valuation – June 2016 \\$SBUX](#)