

ModernGraham Valuation

Company Name:

Company Ticker LQDT

Date of Analysis

4/12/2017

Liquidity Services,
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 | \$233,881,058 | Fail |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 2.06 | 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 | -698.11% | Fail |
| 5. Earnings Growth | PEmg < 20 | -5.68 | Fail |
| 6. Moderate PEmg Ratio | PB Ratio < 2.5 OR PB*PEmg < 50 | 1.49 | 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 | 2.06 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 0.00 | 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 | | Fail |
| | Score | | |

Suitability

| | |
|---------------------|-----------|
| Defensive | No |
| Enterprising | No |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|---------------|
| EPSmg | -\$1.30 |
| MG Growth Estimate | -4.25% |
| MG Value | \$2.57 |
| MG Value based on 3% Growth | -\$18.89 |
| MG Value based on 0% Growth | -\$11.07 |
| Market Implied Growth Rate | -7.09% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$7.40 |
| % of Intrinsic Value | 288.43% |
| Opinion | Overvalued |
| MG Grade | D |

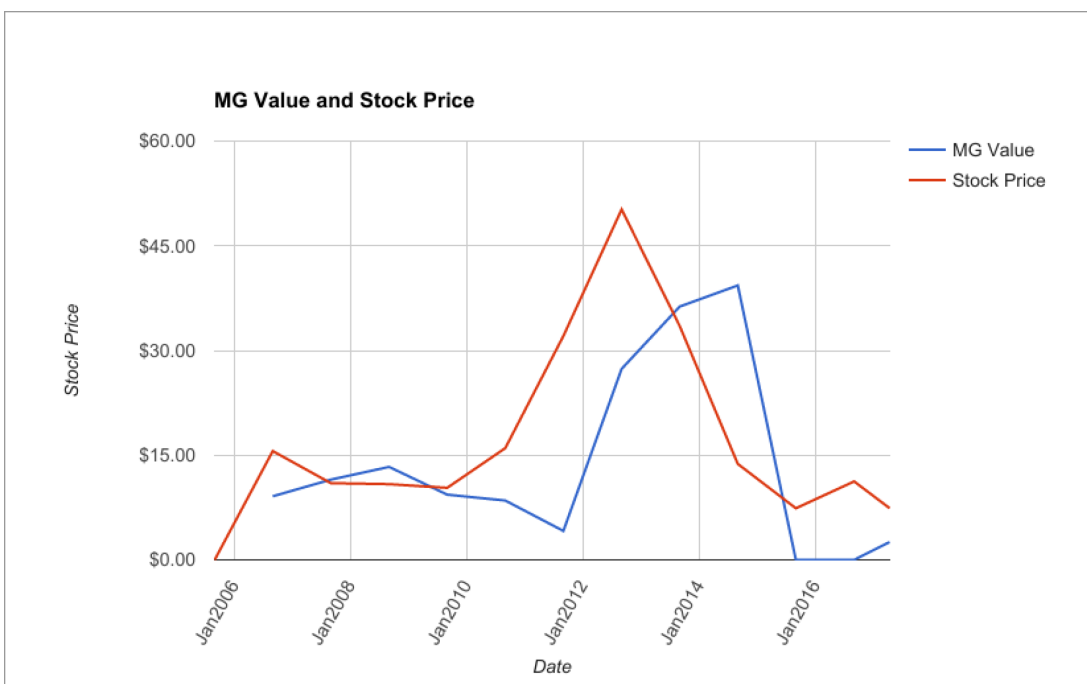
Stage 3: Information for Further Research

| | |
|--|--------|
| Net Current Asset Value (NCAV) | \$2.57 |
| Graham Number | \$0.00 |
| PEmg | -5.68 |
| Current Ratio | 2.06 |
| PB Ratio | 1.49 |
| 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 | -\$0.88 | Next Fiscal Year Estimate | -\$1.30 |
| Sep2016 | -\$1.96 | Sep2016 | -\$1.13 |
| Sep2015 | -\$3.50 | Sep2015 | -\$0.44 |
| Sep2014 | \$0.97 | Sep2014 | \$1.02 |
| Sep2013 | \$1.26 | Sep2013 | \$0.94 |
| Sep2012 | \$1.47 | Sep2012 | \$0.71 |
| Sep2011 | \$0.29 | Sep2011 | \$0.34 |
| Sep2010 | \$0.44 | Sep2010 | \$0.36 |
| Sep2009 | \$0.21 | Sep2009 | \$0.31 |
| Sep2008 | \$0.41 | Sep2008 | \$0.35 |
| Sep2007 | \$0.39 | Sep2007 | \$0.30 |
| Sep2006 | \$0.31 | Sep2006 | \$0.24 |
| Sep2005 | \$0.18 | Sep2005 | \$0.18 |
| Sep2004 | \$0.29 | Sep2004 | \$0.16 |
| Sep2003 | \$0.17 | Sep2003 | \$0.08 |
| Sep2002 | \$0.07 | Sep2002 | \$0.02 |
| Dec2001 | \$0.00 | Dec2001 | \$0.00 |
| Dec2000 | \$0.00 | Balance Sheet Information 12/1/2016 | |
| Dec1999 | \$0.00 | Total Current Assets | \$177,138,000 |
| Dec1998 | \$0.00 | Total Current Liabilities | \$85,813,000 |
| Dec1997 | \$0.00 | Long-Term Debt | \$0 |
| | | Total Assets | \$252,707,000 |
| | | Intangible Assets | \$47,110,000 |
| | | Total Liabilities | \$96,932,000 |
| | | Shares Outstanding (Diluted Average) | 31,262,000 |





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

[LivePerson Inc Valuation – Initial Coverage \\$LPSN](#)
[LogMeIn Inc Valuation – Initial Coverage \\$LOGM](#)
[Sykes Enterprises Inc Valuation – Initial Coverage \\$SYKE](#)
[Convergys Corp Valuation – Initial Coverage \\$CVG](#)
[International Business Machines Corp Valuation – March 2017 \\$IBM](#)
[Verisk Analytics Inc Valuation – Initial Coverage \\$VRSK](#)
[CSRA Inc Valuation – Initial Coverage \\$CSRA](#)
[CSG Systems International Inc Valuation – Initial Coverage \\$CSGS](#)
[Computer Programs & Systems Inc Valuation – Initial Coverage \\$CPSI](#)
[Qualcomm Inc Valuation – February 2017 \\$QCOM](#)