

ModernGraham Valuation

Company Name:

Landstar System, Inc.

Company Ticker LSTR

Date of Analysis

6/25/2017



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	\$3,532,170,972	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.03	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	89.50%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	38.99	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.17	Fail

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	2.03	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.22	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.16
MG Growth Estimate	-2.51%
MG Value	\$7.51
MG Value based on 3% Growth	\$31.33
MG Value based on 0% Growth	\$18.37
Market Implied Growth Rate	15.25%

MG Opinion

Current Price	\$84.25
% of Intrinsic Value	1121.90%
Opinion	Overvalued
MG Grade	F

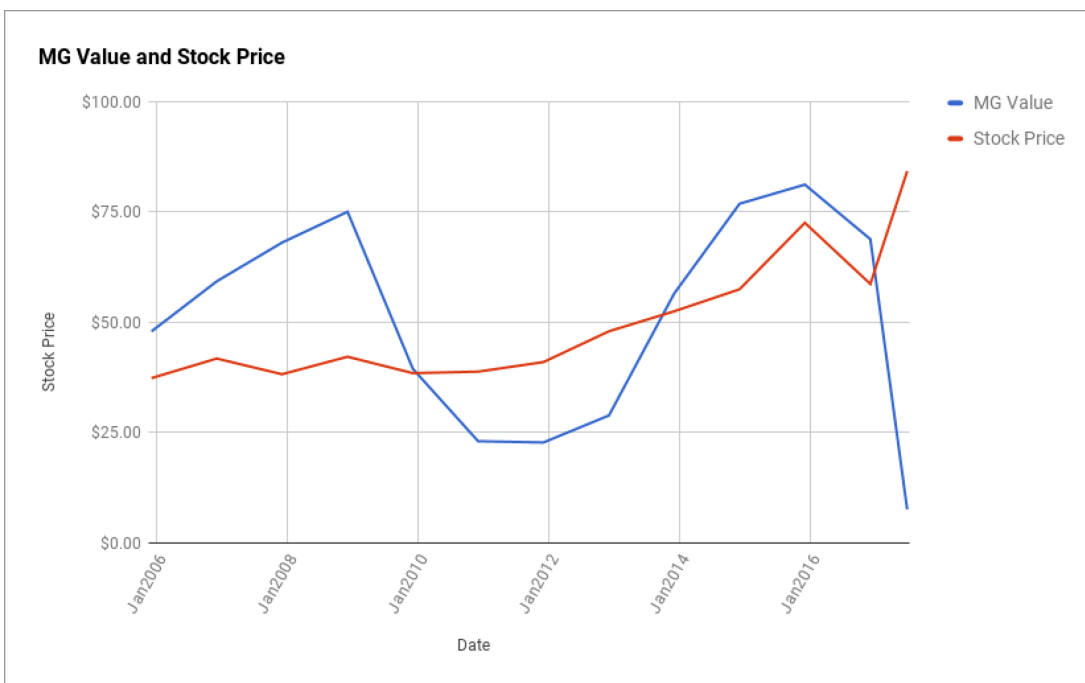
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$5.16
Graham Number	\$0.00
PEmg	38.99
Current Ratio	2.03
PB Ratio	6.17
Current Dividend	\$0.34
Dividend Yield	0.40%
Number of Consecutive Years of Dividend Growth	3

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	
Dec2016	\$3.25	Dec2016	\$2.16
Dec2015	\$3.37	Dec2015	\$3.20
Dec2014	\$3.07	Dec2014	\$3.10
Dec2013	\$3.16	Dec2014	\$2.86
Dec2012	\$2.77	Dec2013	\$2.60
Dec2011	\$2.38	Dec2012	\$2.23
Dec2010	\$1.77	Dec2011	\$1.95
Dec2009	\$1.37	Dec2010	\$1.77
Dec2008	\$2.10	Dec2009	\$1.80
Dec2007	\$1.99	Dec2008	\$1.95
Dec2006	\$1.93	Dec2007	\$1.77
Dec2005	\$1.91	Dec2006	\$1.54
Dec2004	\$1.16	Dec2005	\$1.24
Dec2003	\$0.79	Dec2004	\$0.87
Dec2002	\$0.74	Dec2003	\$0.71
Dec2001	\$0.63	Dec2002	\$0.62
Dec2000	\$0.63	Dec2001	\$0.52
Dec1999	\$0.57	Balance Sheet Information 3/1/2017	
Dec1998	\$0.13	Total Current Assets	\$749,006,000
Dec1997	\$0.25	Total Current Liabilities	\$368,637,000
		Long-Term Debt	\$82,987,000
		Total Assets	\$1,106,142,000
		Intangible Assets	\$31,134,000
		Total Liabilities	\$532,399,000
		Shares Outstanding (Diluted Average)	41,998,000





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
- [Kirby Corporation Valuation – Initial Coverage \\$KEX](#)
 - [Knight Transportation Valuation – Initial Coverage \\$KNX](#)
 - [United Parcel Service Inc Valuation – February 2017 \\$UPS](#)
 - [SPS Commerce Inc Valuation – Initial Coverage \\$SPSC](#)
 - [J B Hunt Transport Services Inc Valuation – Initial Coverage \\$JBHT](#)
 - [Celadon Group Inc Valuation – Initial Coverage \\$CGI](#)
 - [Saia Inc Valuation – Initial Coverage \\$SAIA](#)
 - [C.H. Robinson Worldwide Inc Valuation – August 2016 \\$CHRW](#)
 - [FedEx Corp Valuation – July 2016 \\$FDX](#)
 - [Ryder System Inc Valuation – July 2016 \\$R](#)