

# ModernGraham Valuation



Group 1 Automotive,  
Inc.

Company Name:

Company Ticker GPI

Date of Analysis

7/22/2017

## 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	\$1,321,898,161	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.07	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	1147.26%	Pass
6. Moderate PEmg Ratio	PEmg < 20	10.55	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.32	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	1.07	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	9.29	Fail
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 Score		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.87
MG Growth Estimate	9.27%
<b>MG Value</b>	<b>\$158.87</b>
MG Value based on 3% Growth	\$85.16
MG Value based on 0% Growth	\$49.92
Market Implied Growth Rate	1.02%

### MG Opinion

Current Price	\$61.95
% of Intrinsic Value	38.99%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C+</b>

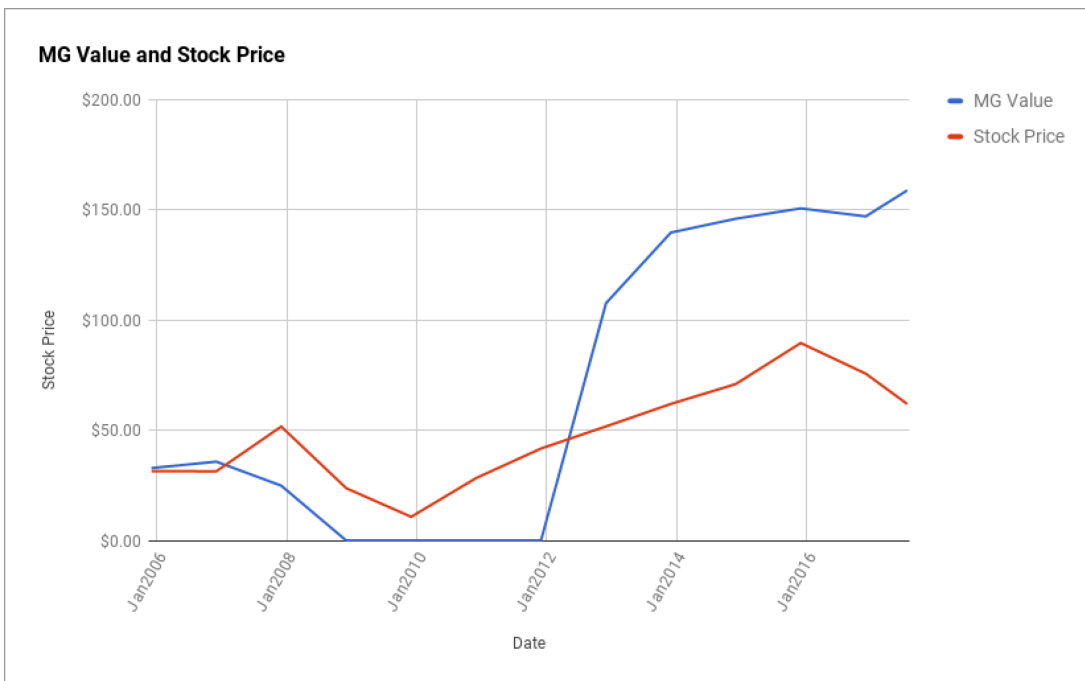
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$66.06
Graham Number	\$86.42
PEmg	10.55
Current Ratio	1.07
PB Ratio	1.32
Current Dividend	\$0.91
Dividend Yield	1.47%
Number of Consecutive Years of Dividend Growth	7

### 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>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.64	Next Fiscal Year Estimate	\$5.87
Dec2016	\$6.67	Dec2016	\$4.84
Dec2015	\$3.90	Dec2015	\$3.91
Dec2014	\$3.60	Dec2014	\$3.79
Dec2013	\$4.32	Dec2013	\$3.63
Dec2012	\$4.19	Dec2012	\$2.80
Dec2011	\$3.47	Dec2011	\$1.92
Dec2010	\$2.09	Dec2010	\$1.30
Dec2009	\$1.49	Dec2009	\$1.14
Dec2008	-\$2.12	Dec2008	\$1.17
Dec2007	\$2.90	Dec2007	\$2.75
Dec2006	\$3.62	Dec2006	\$2.66
Dec2005	\$2.24	Dec2005	\$2.26
Dec2004	\$1.18	Dec2004	\$2.29
Dec2003	\$3.26	Dec2003	\$2.71
Dec2002	\$2.80	Dec2002	\$2.28
Dec2001	\$2.59	Dec2001	\$1.88
Dec2000	\$1.88	<b>Balance Sheet Information 3/1/2017</b>	
Dec1999	\$1.55	Total Current Assets	\$2,153,077,000
Dec1998	\$1.16	Total Current Liabilities	\$2,021,275,000
Dec1997	\$0.76	Long-Term Debt	\$1,224,718,000
		Total Assets	\$4,489,363,000
		Intangible Assets	\$1,162,351,000
		Total Liabilities	\$3,520,403,000
		Shares Outstanding (Diluted Average)	20,698,000





**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
- [Dana Inc Valuation – Initial Coverage \\$DAN](#)
  - [Linamar Corp Valuation – Initial Coverage \\$TSE:LNR](#)
  - [AutoNation Inc Valuation – March 2017 \\$AN](#)
  - [Superior Industries International Inc Valuation – Initial Coverage \\$SUP](#)
  - [Canadian Tire Corp Limited Valuation – Initial Coverage \\$TSE:CTC.A](#)
  - [LKQ Corporation Valuation – Initial Coverage \\$LKQ](#)
  - [Lithia Motors Inc Valuation – Initial Coverage \\$LAD](#)
  - [Delphi Automotive PLC Valuation – February 2017 \\$DLPH](#)
  - [Cooper-Standard Holdings Inc Valuation – Initial Coverage \\$CPS](#)
  - [Copart Inc Valuation – Initial Coverage \\$CPRT](#)