

ModernGraham Valuation

Company Name:

LSB Industries, Inc.

Company Ticker LXU

Date of Analysis

7/20/2017



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	\$359,346,052	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.51	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	-132.64%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	-118.78	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.66	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	1.51	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	6.46	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.10
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$1.42
MG Value based on 0% Growth	-\$0.83
Market Implied Growth Rate	-63.64%

MG Opinion

Current Price	\$11.64
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

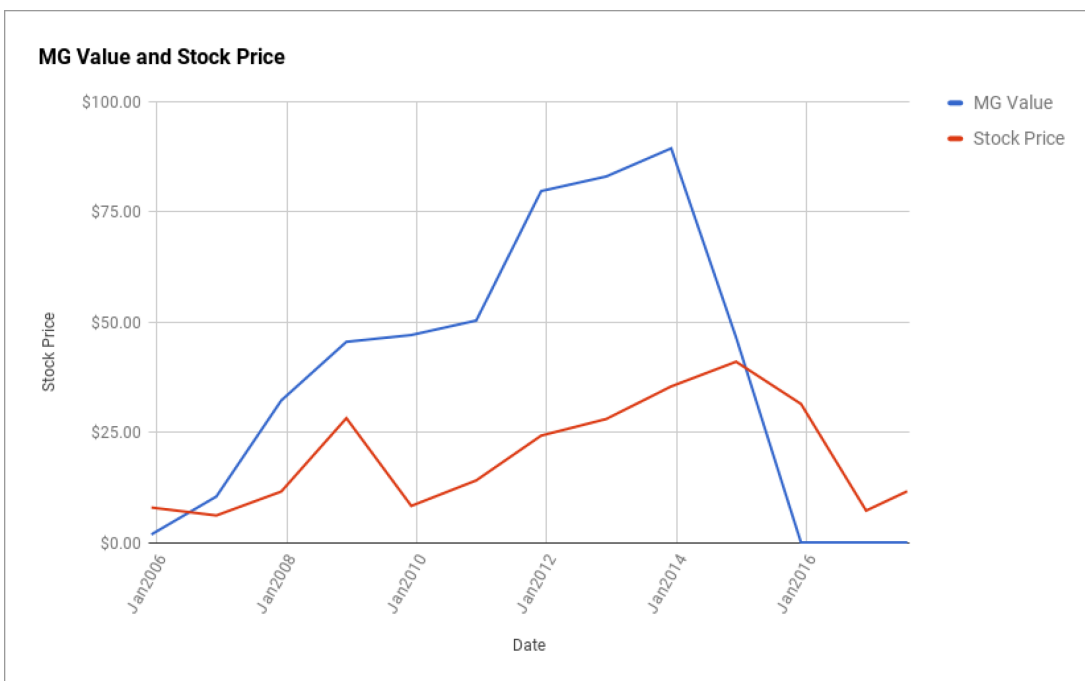
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$21.91
Graham Number	\$0.00
PEmg	-118.78
Current Ratio	1.51
PB Ratio	0.66
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		Next Fiscal Year Estimate	
Dec2016	-\$2.13	Dec2016	-\$0.10
Dec2015	\$2.54	Dec2015	\$1.05
Dec2014	-\$1.67	Dec2014	\$0.71
Dec2013	\$0.85	Dec2013	\$1.97
Dec2012	\$2.33	Dec2012	\$2.40
Dec2011	\$2.49	Dec2011	\$2.28
Dec2010	\$3.58	Dec2010	\$2.07
Dec2009	\$1.32	Dec2009	\$1.31
Dec2008	\$0.96	Dec2008	\$1.22
Dec2007	\$1.58	Dec2007	\$1.18
Dec2006	\$1.84	Dec2006	\$0.84
Dec2005	\$0.76	Dec2005	\$0.27
Dec2004	\$0.18	Dec2004	\$0.05
Dec2003	-\$0.16	Dec2003	\$0.03
Dec2002	\$0.10	Dec2002	-\$0.17
Dec2001	-\$0.17	Dec2001	-\$0.49
Dec2000	\$0.50	Dec2001	-\$0.84
Dec1999	\$0.29	Balance Sheet Information 3/1/2017	
Dec1998	-\$4.48	Total Current Assets	\$186,023,000
Dec1997	-\$0.42	Total Current Liabilities	\$123,297,000
Dec1997	-\$2.04	Long-Term Debt	\$405,520,000
		Total Assets	\$1,264,499,000
		Intangible Assets	\$9,584,000
		Total Liabilities	\$782,941,000
		Shares Outstanding (Diluted Average)	27,248,000





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
- [Monsanto Company Valuation – March 2017 \\$MON](#)
 - [Mosaic Company Valuation – February 2017 \\$MOS](#)
 - [Scotts Miracle-Gro Inc Valuation – Initial Coverage \\$SMG](#)
 - [Intrepid Potash Inc Valuation – Initial Coverage \\$IPI](#)
 - [CF Industries Holdings Inc Valuation – August 2016 \\$CF](#)
 - [CF Industries Valuation – March 2016 \\$CF](#)
 - [Monsanto Company Valuation – January 2016 Update \\$MON](#)
 - [Mosaic Company Valuation – October 2015 Update \\$MOS](#)
 - [CF Industries Holdings Inc. Analysis – September 2015 Update \\$CF](#)
 - [Monsanto Company Analysis – September 2015 Update \\$MON](#)