

ModernGraham Valuation

Company Name:

Lucara Diamond Corp

Company Ticker TSE:LUC

Date of Analysis

7/17/2017



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	\$1,109,574,254	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.77	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	-831.58%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	11.22	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.16	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	2.77	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.26
MG Growth Estimate	15.00%
MG Value	\$9.92
MG Value based on 3% Growth	\$3.73
MG Value based on 0% Growth	\$2.19
Market Implied Growth Rate	1.36%

MG Opinion

Current Price	\$2.89
% of Intrinsic Value	29.15%
Opinion	Undervalued
MG Grade	B

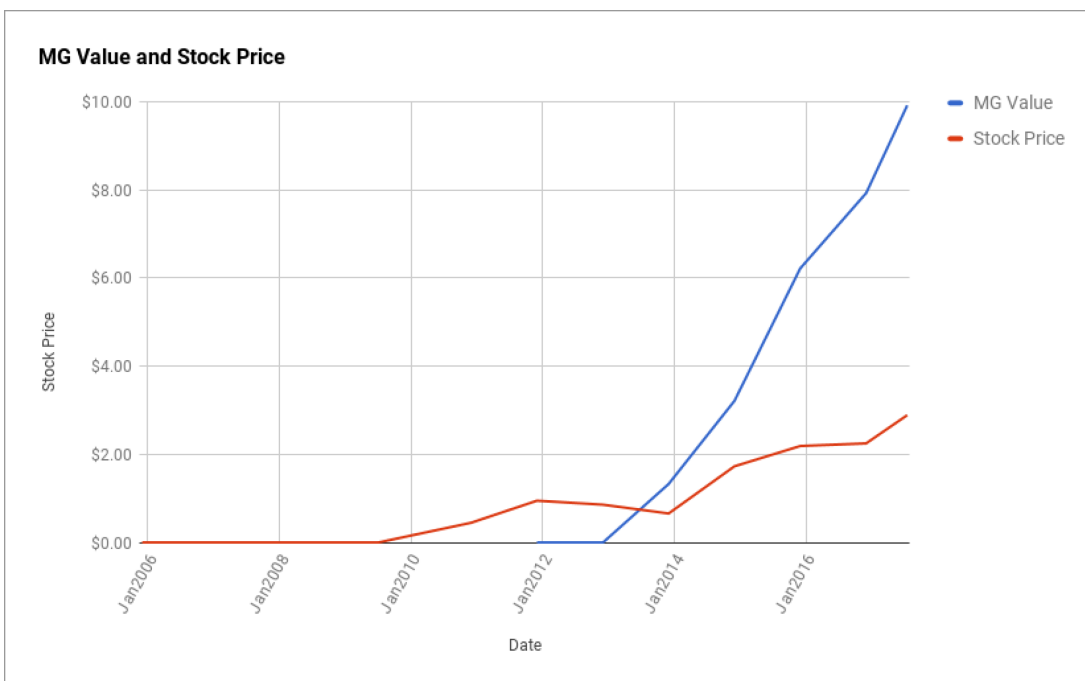
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$0.04
Graham Number	\$2.24
PEmg	11.22
Current Ratio	2.77
PB Ratio	4.16
Current Dividend	\$0.06
Dividend Yield	2.11%
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	\$0.32	Dec2016	\$0.26
Dec2015	\$0.24	Dec2015	\$0.21
Dec2014	\$0.27	Dec2014	\$0.16
Dec2013	\$0.15	Dec2013	\$0.08
Dec2012	\$0.18	Dec2012	\$0.03
Dec2011	-\$0.02	Dec2011	-\$0.04
Dec2010	-\$0.05	Dec2010	-\$0.04
Jul2009	-\$0.06	Dec2010	-\$0.03
Jul2008	-\$0.03	Jul2009	-\$0.02
Jul2007	-\$0.02	Jul2008	-\$0.01
Dec2006	-\$0.01	Jul2007	\$0.00
Dec2005	\$0.00	Dec2006	\$0.00
Dec2004	\$0.00	Dec2005	\$0.00
Dec2003	\$0.00	Dec2004	\$0.00
Dec2002	\$0.00	Dec2003	\$0.00
Dec2001	\$0.00	Dec2002	\$0.00
Dec2000	\$0.00	Dec2001	\$0.00
Dec1999	\$0.00	Balance Sheet Information	
Dec1998	\$0.00	3/1/2017	
Dec1997	\$0.00	Total Current Assets	\$120,229,000
		Total Current Liabilities	\$43,454,000
		Long-Term Debt	\$0
		Total Assets	\$401,238,000
		Intangible Assets	\$0
		Total Liabilities	\$135,618,000
		Shares Outstanding (Diluted Average)	382,253,000





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

[Teck Resources Ltd Valuation – Initial Coverage \\$TSE:TECK.B](#)
[Consol Energy Inc Valuation – March 2017 \\$CNX](#)
[Stillwater Mining Company Valuation – Initial Coverage \\$SWC](#)
[Allegheny Technologies Inc Valuation – March 2017 \\$ATI](#)
[Silver Standard Resources Inc Valuation – Initial Coverage \\$TSE:SSO](#)
[Sandstorm Gold Ltd Valuation – Initial Coverage \\$TSE:SSL](#)
[Kirkland Lakes Gold Ltd Valuation – Initial Coverage \\$TSE:KL](#)
[Klondex Mines Ltd Valuation – Initial Coverage \\$TSE:KDX](#)
[Natural Resource Partners LP Valuation – February 2017 \\$NRP](#)
[Kaiser Aluminum Corp Valuation – Initial Coverage \\$KALU](#)