# **ModernGraham Valuation**

## **Company Name:**

La-Z-Boy Incorporated



Company Ticker Date of Analysis

8/19/2017

#### 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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$1,515,647,929 Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.60 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Fail
Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	-493.18% Fail
Moderate PEmg Ratio	PEmg < 20	18.77 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.59 Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

<ol> <li>Sufficiently Strong Financial Condition</li> </ol>	Current Ratio > 1.5	2.60 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	Pass
	Score	

\$31.05

66.22%

Suitability

MG Opinion

Defensive No Yes Enterprising

### Stage 2: Determination of Intrinsic Value

EPSmg	\$1.65
MG Growth Estimate	9.92%
MG Value	\$46.89
MG Value based on 3% Growth	\$23.99
MG Value based on 0% Growth	\$14.06
Market Implied Growth Rate	5.13%

B-

% of Intrinsic Value Opinion Undervalued

#### Stage 3: Information for Further Research

Current Price

MG Grade

Net Current Asset Value (NCAV)	\$4.43
Graham Number	\$22.87
PEmg	18.77
Current Ratio	2.60
PB Ratio	2.59
Current Dividend	\$0.42
Dividend Yield	1.35%
Number of Consecutive Years of Dividend	
Growth	5

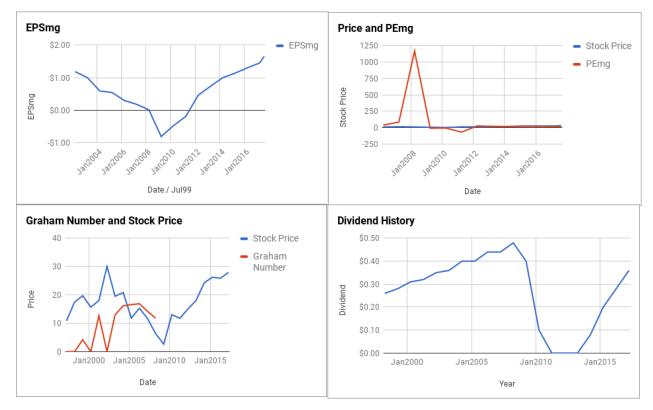
Morningstar

Useful Links: ModernGraham tagged articles

Google Finance MSN Money Yahoo Finance Seeking Alpha **GuruFocus SEC Filings** 

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	•	Next Fiscal Year Estimate	\$1.65
Apr2017	\$1.73	Apr2017	\$1.45
Apr2016	\$1.55	Apr2016	\$1.30
Apr2015	\$1.34	Apr2015	\$1.14
Apr2014	\$1.02	Apr2014	\$1.00
Apr2013	\$0.85	Apr2013	\$0.73
Apr2012	\$1.64	Apr2012	\$0.45
Apr2011	\$0.45	Apr2011	-\$0.19
Apr2010	\$0.62	Apr2010	-\$0.48
Apr2009	-\$2.39	Apr2009	-\$0.81
Apr2008	-\$0.26	Apr2008	\$0.01
Apr2007	\$0.08	Apr2007	\$0.18
Apr2006	-\$0.06	Apr2006	\$0.30
Apr2005	\$0.71	Apr2005	\$0.54
Apr2004	-\$0.11	Apr2004	\$0.59
Apr2003	\$0.63	Apr2003	\$1.00
Apr2002	\$1.01	Apr2002	\$1.19
Apr2001	\$1.13	Balance Sheet Information	4/1/2017
Apr2000	\$1.60	Total Current Assets	\$517,422,000
Apr1999	\$1.24	Total Current Liabilities	\$198,676,000
Apr1998	\$0.93	Long-Term Debt	\$296,000
		Total Assets	\$888,855,000
		Intangible Assets	\$92,734,000
		Total Liabilities	\$298,936,000
		Shares Outstanding (Diluted Average)	49,284,000





#### 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 <u>Tupperware Brands Corp Valuation – Initial Coverage \$TUP</u>

Leggett & Platt Inc Valuation - March 2017 \$LEG

Newell Brands Inc Valuation – February 2017 \$NWL

Clorox Company Valuation - January 2017 \$CLX

Select Comfort Corp Valuation - Initial Coverage \$SCSS

Leggett & Platt Inc Valuation – August 2016 \$LEG

National Presto Industries Inc Valuation – July 2016 \$NPK

Leggett & Platt Inc Stock Valuation - February 2016 \$LEG

National Presto Industries Valuation – January 2016 Update \$NPK

Newell Rubbermaid Inc. Valuation - October 2015 Update \$NWL