ModernGraham Valuation

Company Name:

Monro Muffler Brake Inc



Company Ticker MNRO

Date of Analysis 8/14/2017

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	\$1,533,125,394 Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.02 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	76.74% Pass
Moderate PEmg Ratio	PEmg < 20	24.38 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.63 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	1.02 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	51.28 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	Pass
	0	

Score

Suitability

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.92
MG Growth Estimate	4.09%
MG Value	\$32.07
MG Value based on 3% Growth	\$27.87
MG Value based on 0% Growth	\$16.34
Market Implied Growth Rate	7.94%

MG Opinion

 Current Price
 \$46.85

 % of Intrinsic Value
 146.09%

Opinion Overvalued

MG Grade F

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$11.92
Graham Number	\$28.29
PEmg	24.38
Current Ratio	1.02
PB Ratio	2.63
Current Dividend	\$0.68
Dividend Yield	1.45%
Number of Consecutive Years of Dividend	
Growth	4

Morningstar

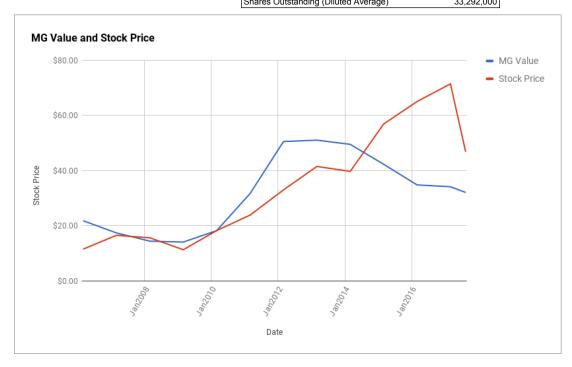
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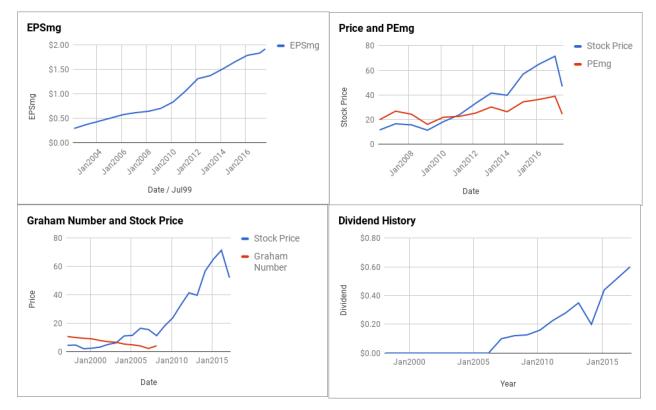
 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year		l	
Estimate		Next Fiscal Year Estimate	\$1.92
Mar2017	\$1.85	Mar2017	\$1.84
Mar2016	\$2.00	Mar2016	\$1.79
Mar2015	\$1.88	Mar2015	\$1.66
Mar2014	\$1.67	Mar2014	\$1.51
Mar2013	\$1.32	Mar2013	\$1.37
Mar2012	\$1.69	Mar2012	\$1.31
Mar2011	\$1.44	Mar2011	\$1.06
Mar2010	\$1.07	Mar2010	\$0.83
Mar2009	\$0.80	Mar2009	\$0.70
Mar2008	\$0.67	Mar2008	\$0.64
Mar2007	\$0.65	Mar2007	\$0.62
Mar2006	\$0.67	Mar2006	\$0.58
Mar2005	\$0.60	Mar2005	\$0.51
Mar2004	\$0.51	Mar2004	\$0.44
Mar2003	\$0.51	Mar2003	\$0.37
Mar2002	\$0.36	Mar2002	\$0.29
Mar2001	\$0.33	Balance Sheet Information	6/1/2017
Mar2000	\$0.25	Total Current Assets	\$200,947,000
Mar1999	\$0.09	Total Current Liabilities	\$197,866,000
Mar1998	\$0.32	Long-Term Debt	\$157,997,000
•		Total Assets	\$1,191,670,000
		Intangible Assets	\$558,179,000
		Total Liabilities	\$597,722,000
		Shares Outstanding (Diluted Average)	33,292,000





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 Group 1 Automotive Inc Valuation - Initial Coverage \$GPI

<u>Dana Inc Valuation – Initial Coverage \$DAN</u>

<u>Linamar Corp Valuation – Initial Coverage \$TSE:LNR</u>

AutoNation Inc Valuation - March 2017 \$AN

<u>Superior Industries International Inc Valuation – Initial Coverage \$SUP</u>

Canadian Tire Corp Limited Valuation – Initial Coverage \$TSE:CTC.A

LKQ Corporation Valuation – Initial Coverage \$LKQ

Lithia Motors Inc Valuation - Initial Coverage \$LAD

<u>Delphi Automotive PLC Valuation – February 2017 \$DLPH</u>

Cooper-Standard Holdings Inc Valuation – Initial Coverage \$CPS