

# ModernGraham Valuation

Monro Muffler Brake  
Inc



Company Name:

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.*

1. 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 beginning and end	76.74%	Pass
5. Earnings Growth	PEmg < 20	24.38	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.63	Fail
7. Moderate Price to Assets			

*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 Score		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.92
MG Growth Estimate	4.09%
<b>MG Value</b>	<b>\$32.07</b>
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%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>F</b>

## 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

### Useful Links:

[ModernGraham tagged articles](#)  
[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)

[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.00	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	<b>Balance Sheet Information</b>	
Mar2000	\$0.25	<b>6/1/2017</b>	
Mar1999	\$0.09	Total Current Assets	\$200,947,000
Mar1998	\$0.32	Total Current Liabilities	\$197,866,000
		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](#)  
[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](#)