ModernGraham Valuation

Company Name:

Company Ticker GPC Date of Analysis



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

3/2/2018

Genuine Parts

Company

Defensive Investor; must pass 6 out of the following 7 tests.						
	1.	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$13,321,302,699	Pass	
	2.	Sufficiently Strong Financial Condition	Current Ratio > 2	1.34	Fail	
	3.	Earnings Stability	Positive EPS for 10 years prior		Pass	
	4.	Dividend Record	Dividend Payments for 10 years prior		Pass	
	5.	Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	54.63%	Pass	
		Moderate PEmg Ratio	PEmg < 20	19.27	Pass	
		Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.92		
			3			
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	1.34	Fail	
	2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.39	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	
			Score			
	Suitability					
		efensive	No			
	Er	nterprising	No			
Stage 2: Determination of Intrinsic Value						
	EF	PSmg	\$4.71			
	М	G Growth Estimate	1.77%			
	M	G Value	\$56.80			
	Μ	G Value based on 3% Growth	\$68.35			
	Μ	G Value based on 0% Growth	\$40.07			
	M	arket Implied Growth Rate	5.39%			
MG Opinion						
	Ci	urrent Price	\$90.86			
	%	of Intrinsic Value	159.97%			
	O	pinion	Overvalued			
	М	G Grade	C-			
Stage 3: Information for Further Research						
	-	et Current Asset Value (NCAV)	-\$11.46			
		raham Number	\$52.53			
		Emg	19.27			
		urrent Ratio	1.34			
	PI	B Ratio	3.92			

\$2.70

2.97%

20

Useful Links:

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Number of Consecutive Years of Dividend

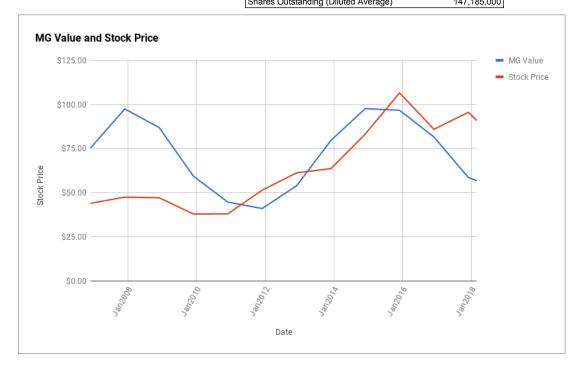
Current Dividend

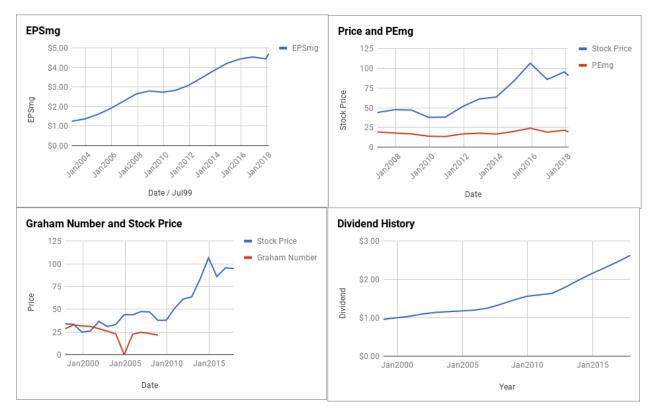
Dividend Yield

Growth

Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$5.27	Next Fiscal Year Estimate	\$4.71
Dec2017	\$4.18	Dec2017	\$4.45
Dec2016	\$4.59	Dec2016	\$4.5
Dec2015	\$4.63	Dec2015	\$4.44
Dec2014	\$4.61	Dec2014	\$4.22
Dec2013	\$4.40	Dec2013	\$3.8
Dec2012	\$4.14	Dec2012	\$3.40
Dec2011	\$3.58	Dec2011	\$3.08
Dec2010	\$3.00	Dec2010	\$2.83
Dec2009	\$2.50	Dec2009	\$2.74
Dec2008	\$2.92	Dec2008	\$2.8
Dec2007	\$2.98	Dec2007	\$2.66
Dec2006	\$2.76	Dec2006	\$2.28
Dec2005	\$2.50	Dec2005	\$1.9
Dec2004	\$2.25	Dec2004	\$1.60
Dec2003	\$1.91	Dec2003	\$1.3
Dec2002	-\$0.16	Dec2002	\$1.26
Dec2001	\$1.71	Balance Sheet Information	12/1/2017
Dec2000	\$2.20	Total Current Assets	\$7,312,893,000
Dec1999	\$2.11	Total Current Liabilities	\$5,474,025,000
Dec1998	\$1.98	Long-Term Debt	\$2,550,020,000
		Total Assets	\$12,412,381,000
		Intangible Assets	\$3,554,380,000
		Total Liabilities	\$9,000,229,000
		Shares Outstanding (Diluted Average)	147,185,000





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	Genuine Parts Co Valuation – July 2016 \$GPC
ModernGraham posts about the	Dividend Growth Stocks for Intelligent Investors – June 2016
company	Dividend Growth Stocks for Intelligent Investors – February 2016
	26 Best Stocks For Value Investors This Week – 2/6/16
	Genuine Parts Co Valuation – January 2016 Update \$GPC

Other ModernGraham posts about related companies AutoZone Inc Valuation – February 2018 \$AZO Thor Industries Inc Valuation – Initial Coverage \$THO Titan International Inc Valuation – Initial Coverage \$TWI Harley-Davidson Inc Valuation – August 2017 \$HOG Wabash National Corp Valuation – Initial Coverage \$WNC Advance Auto Parts Inc Valuation – August 2017 \$AAP Fox Factory Holding Corp Valuation – Initial Coverage \$FOXE Monro Muffler Brake Inc Valuation – Initial Coverage \$MNRO Group 1 Automotive Inc Valuation – Initial Coverage \$GPI Dana Inc Valuation – Initial Coverage \$DAN