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:

ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus

Number of Consecutive Years of Dividend

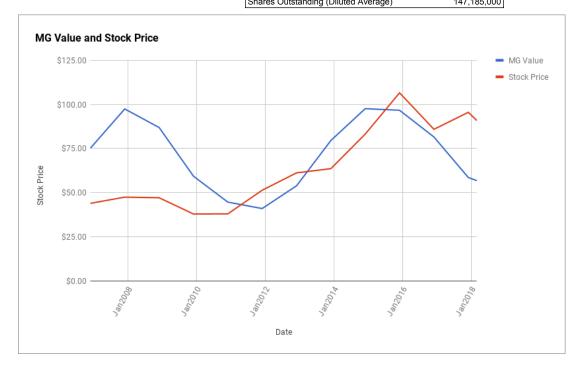
Current Dividend

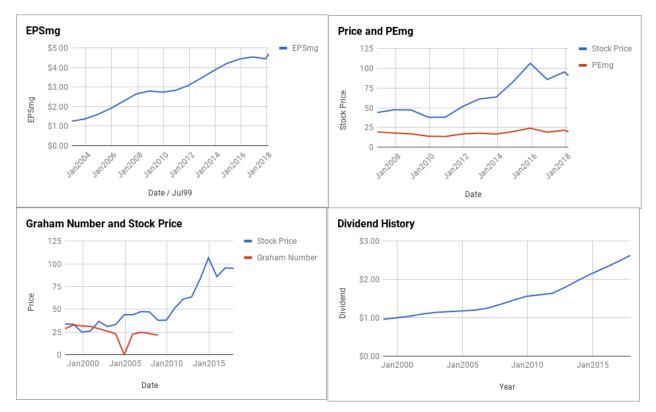
Dividend Yield

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