

# ModernGraham Valuation

## Company Name:

Company Ticker LUK

Date of Analysis

3/30/2018

Leucadia National Corp.



## 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	\$8,098,087,309	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.38	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-75.20%	Fail
5. Earnings Growth	PEmg < 20	25.18	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.82	Pass
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	1.38	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.72	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 Score		Fail

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.90
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$6.60</b>
MG Value based on 3% Growth	\$13.09
MG Value based on 0% Growth	\$7.67
Market Implied Growth Rate	8.34%

### MG Opinion

Current Price	\$22.73
% of Intrinsic Value	344.32%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

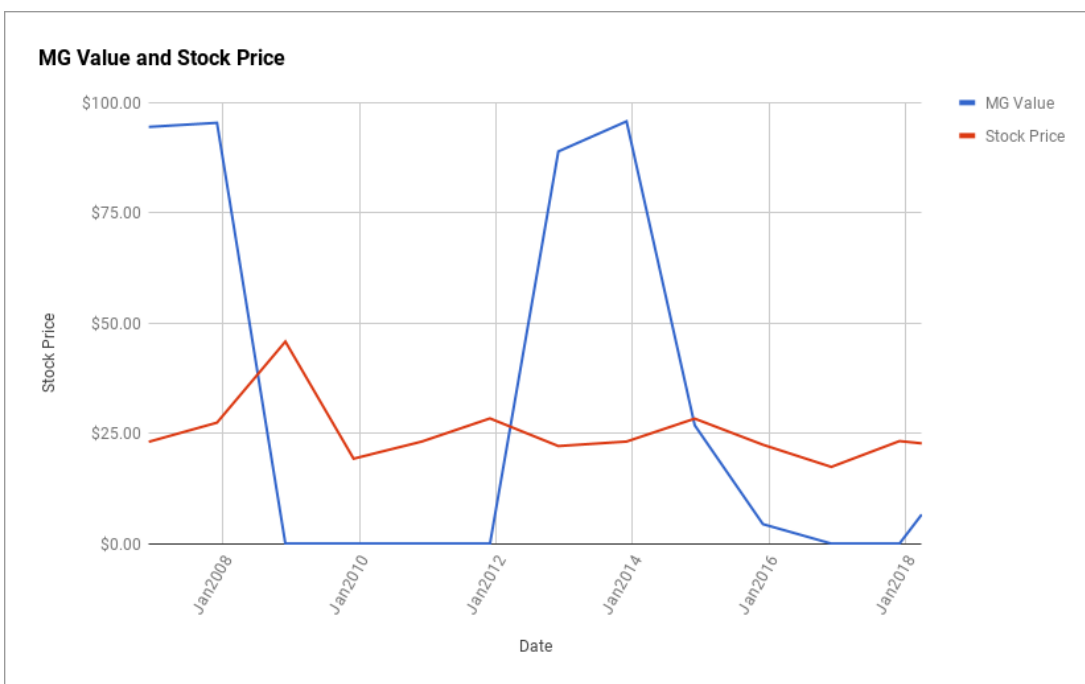
Net Current Asset Value (NCAV)	\$6.60
Graham Number	\$33.32
PEmg	25.18
Current Ratio	1.38
PB Ratio	0.82
Current Dividend	\$0.33
Dividend Yield	1.43%
Number of Consecutive Years of Dividend Growth	1

### Useful Links:

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[Google Finance](#)  
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[GuruFocus](#)

[Morningstar](#)  
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$1.74	Dec2017	\$0.90
Dec2016	\$0.45	Dec2016	\$0.53
Dec2015	\$0.34	Dec2015	\$0.79
Dec2014	\$0.74	Dec2014	\$1.07
Dec2013	\$0.54	Dec2013	\$1.69
Dec2012	\$1.06	Dec2012	\$2.49
Dec2011	\$3.44	Dec2011	\$2.31
Dec2010	\$0.10	Dec2010	\$1.25
Dec2009	\$7.85	Dec2009	\$1.35
Dec2008	\$2.25	Dec2008	-\$1.17
Dec2007	-\$11.00	Dec2007	-\$1.94
Dec2006	\$2.10	Dec2006	\$2.48
Dec2005	\$0.85	Dec2005	\$2.45
Dec2004	\$7.14	Dec2004	\$2.79
Dec2003	\$0.67	Dec2003	\$0.59
Dec2002	\$0.52	Dec2002	\$0.59
Dec2001	\$0.96	Dec2001	\$0.63
Dec2000	-\$0.05	<b>Balance Sheet Information 12/1/2017</b>	
Dec1999	\$0.70	Total Current Assets	\$39,483,108,000
Dec1998	\$1.21	Total Current Liabilities	\$28,592,753,000
	\$0.29	Long-Term Debt	\$7,885,783,000
		Total Assets	\$47,169,108,000
		Intangible Assets	\$2,463,180,000
		Total Liabilities	\$37,063,151,000
		Shares Outstanding (Diluted Average)	366,580,000





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

[30 Companies in the Spotlight This Week – 5/23/15](#)  
[Leucadia National Corporation Annual Valuation – 2015 \\$LUK](#)  
[58 Companies in the Spotlight This Week – 1/31/15](#)  
[Leucadia National Corporation Quarterly Valuation – January 2015 \\$LUK](#)  
[5 Undervalued Companies for the Enterprising Investor Near 52 Week Lows – December 2014](#)

Other  
ModernGraham  
posts about related  
companies

[Cboe Global Markets Inc Valuation – Initial Coverage \\$CBOE](#)  
[Raymond James Financial Inc Valuation – March 2018 \\$RJF](#)  
[Marsh & McLennan Companies Inc Valuation – March 2018 \\$MMC](#)  
[Fidelity National Information Services Inc Valuation – March 2018 \\$FIS](#)  
[Intercontinental Exchange Inc Valuation – March 2018 \\$ICE](#)  
[H&R Block Inc Valuation – March 2018 \\$HRB](#)  
[Morgan Stanley Valuation – March 2018 \\$MS](#)  
[BlackRock Inc Valuation – March 2018 \\$BLK](#)  
[Ameriprise Financial Inc Valuation – March 2018 \\$AMP](#)  
[Navient Corp Valuation – March 2018 \\$NAVI](#)