

ModernGraham Valuation

Lumber Liquidators
Holdings Inc



Company Name:

Company Ticker LL

Date of Analysis

6/9/2018

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	\$714,982,188	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.75	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-215.19%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-31.84	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.64	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	1.75	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.20	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.79
MG Growth Estimate	-4.25%
MG Value	\$2.99
MG Value based on 3% Growth	-\$11.41
MG Value based on 0% Growth	-\$6.69
Market Implied Growth Rate	-20.17%

MG Opinion

Current Price	\$25.05
% of Intrinsic Value	838.44%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

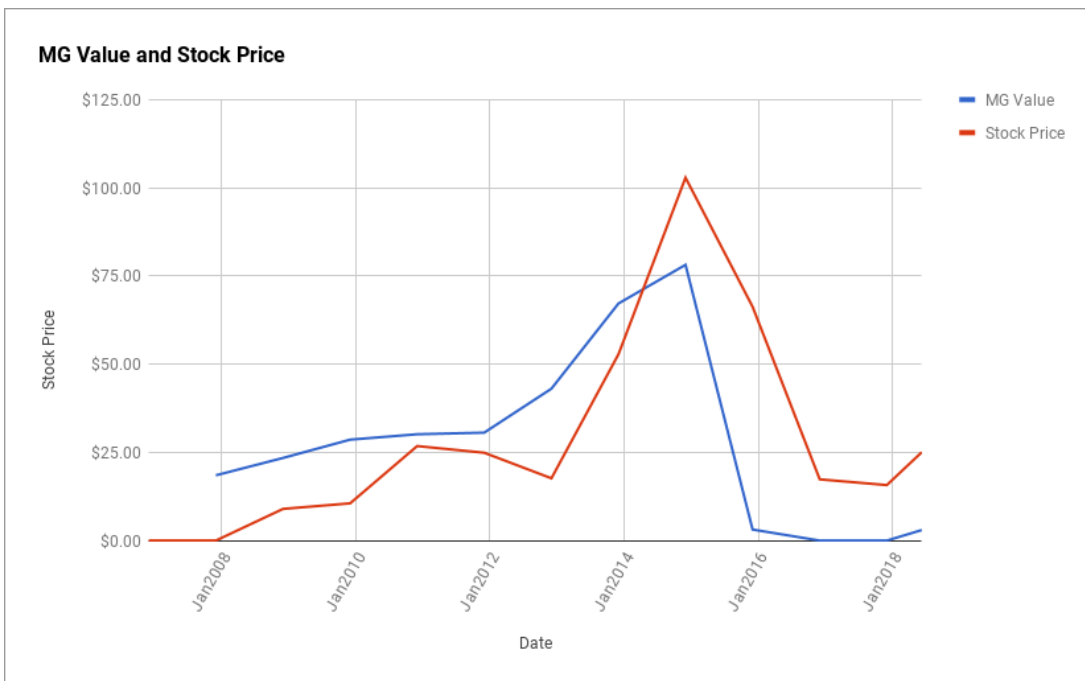
Net Current Asset Value (NCAV)	\$2.99
Graham Number	\$9.52
PEmg	-31.84
Current Ratio	1.75
PB Ratio	3.64
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.58	Next Fiscal Year Estimate	-\$0.79
Dec2017	-\$1.33	Dec2017	-\$1.04
Dec2016	-\$2.51	Dec2016	-\$0.45
Dec2015	-\$2.08	Dec2015	\$0.76
Dec2014	\$2.31	Dec2014	\$2.03
Dec2013	\$2.77	Dec2013	\$1.75
Dec2012	\$1.68	Dec2012	\$1.18
Dec2011	\$0.93	Dec2011	\$0.89
Dec2010	\$0.93	Dec2010	\$0.83
Dec2009	\$0.97	Dec2009	\$0.74
Dec2008	\$0.82	Dec2008	\$0.61
Dec2007	\$0.48	Dec2007	\$0.48
Dec2006	\$0.56	Dec2006	\$0.43
Dec2005	\$0.46	Dec2005	\$0.32
Dec2004	\$0.51	Dec2004	\$0.22
Dec2003	\$0.17	Dec2003	\$0.06
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information 3/1/2018	
Dec2000	\$0.00	Total Current Assets	\$305,504,000
Dec1999	\$0.00	Total Current Liabilities	\$174,657,000
Dec1998	\$0.00	Long-Term Debt	\$26,000,000
		Total Assets	\$416,657,000
		Intangible Assets	\$9,693,000
		Total Liabilities	\$220,331,000
		Shares Outstanding (Diluted Average)	28,508,000





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.

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