

# ModernGraham Valuation

Company Name:

Lamar Advertising Co

Company Ticker LAMR

Date of Analysis

8/27/2018



## 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	\$6,479,991,800	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.48	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-1016.83%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	25.34	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.01	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	1.48	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	20.55	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.00
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$115.68</b>
MG Value based on 3% Growth	\$43.57
MG Value based on 0% Growth	\$25.54
Market Implied Growth Rate	8.42%

### MG Opinion

Current Price	\$76.13
% of Intrinsic Value	65.81%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

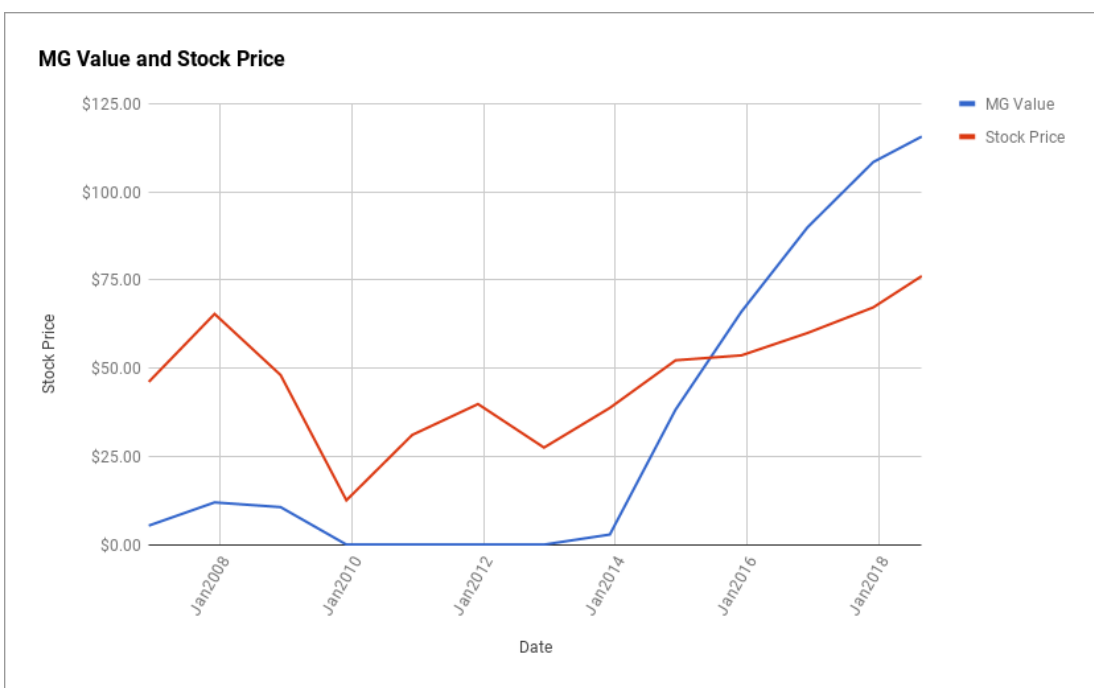
Net Current Asset Value (NCAV)	-\$26.96
Graham Number	\$27.44
PEmg	25.34
Current Ratio	1.48
PB Ratio	7.01
Current Dividend	\$3.32
Dividend Yield	4.36%
Number of Consecutive Years of Dividend Growth	4

### Useful Links:

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[GuruFocus](#)

[Morningstar](#)  
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.98	Next Fiscal Year Estimate	\$3.00
Dec2017	\$3.23	Dec2017	\$2.82
Dec2016	\$3.05	Dec2016	\$2.34
Dec2015	\$2.72	Dec2015	\$1.72
Dec2014	\$2.66	Dec2014	\$0.99
Dec2013	\$0.42	Dec2013	\$0.07
Dec2012	\$0.08	Dec2012	-\$0.13
Dec2011	\$0.07	Dec2011	-\$0.19
Dec2010	-\$0.44	Dec2010	-\$0.22
Dec2009	-\$0.64	Dec2009	-\$0.03
Dec2008	\$0.02	Dec2008	\$0.28
Dec2007	\$0.47	Dec2007	\$0.31
Dec2006	\$0.42	Dec2006	\$0.14
Dec2005	\$0.39	Dec2005	-\$0.12
Dec2004	\$0.12	Dec2004	-\$0.46
Dec2003	-\$0.78	Dec2003	-\$0.76
Dec2002	-\$0.36	Dec2002	-\$0.73
Dec2001	-\$1.11	<b>Balance Sheet Information 6/1/2018</b>	
Dec2000	-\$1.04	Total Current Assets	\$381,689,000
Dec1999	-\$0.65	Total Current Liabilities	\$258,035,000
Dec1998	-\$0.24	Long-Term Debt	\$2,540,955,000
		Total Assets	\$4,119,970,000
		Intangible Assets	\$2,491,277,000
		Total Liabilities	\$3,046,450,000
		Shares Outstanding (Diluted Average)	98,835,000





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 [Lamar Advertising Company Valuation – Initial Coverage \\$LAMR](#)

Other ModernGraham posts about related companies [Kite Realty Group Trust Valuation – August 2018 \\$KRG](#)  
[Kilroy Realty Corp Valuation – August 2018 \\$KRC](#)  
[Crombie Real Estate Investment Trust Valuation – August 2018 \\$TSE-CRR.UN](#)  
[Charles River Laboratories International Inc Valuation – August 2018 \\$CRL](#)  
[SmartCentres Real Estate Investment Trust Valuation – August 2018 \\$TSE-SRU.UN](#)  
[Camden Property Trust Valuation – August 2018 \\$CPT](#)  
[Senior Housing Properties Trust Valuation – August 2018 \\$SNH](#)  
[CoreSite Realty Corp Valuation – August 2018 \\$COR](#)  
[Tanger Factory Outlet Centers Inc Valuation – July 2018 \\$SKT](#)  
[Capstead Mortgage Corp Valuation – July 2018 \\$CMO](#)