

ModernGraham Valuation

Company Name:

Lydall, Inc.

Company Ticker LDL

Date of Analysis

8/29/2018



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	\$772,392,250	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.82	Pass
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	7420.00%	Pass
5. Earnings Growth	PEmg < 20	17.67	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.05	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	2.82	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.40	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.48
MG Growth Estimate	15.00%
MG Value	\$95.30
MG Value based on 3% Growth	\$35.89
MG Value based on 0% Growth	\$21.04
Market Implied Growth Rate	4.59%

MG Opinion

Current Price	\$43.75
% of Intrinsic Value	45.91%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

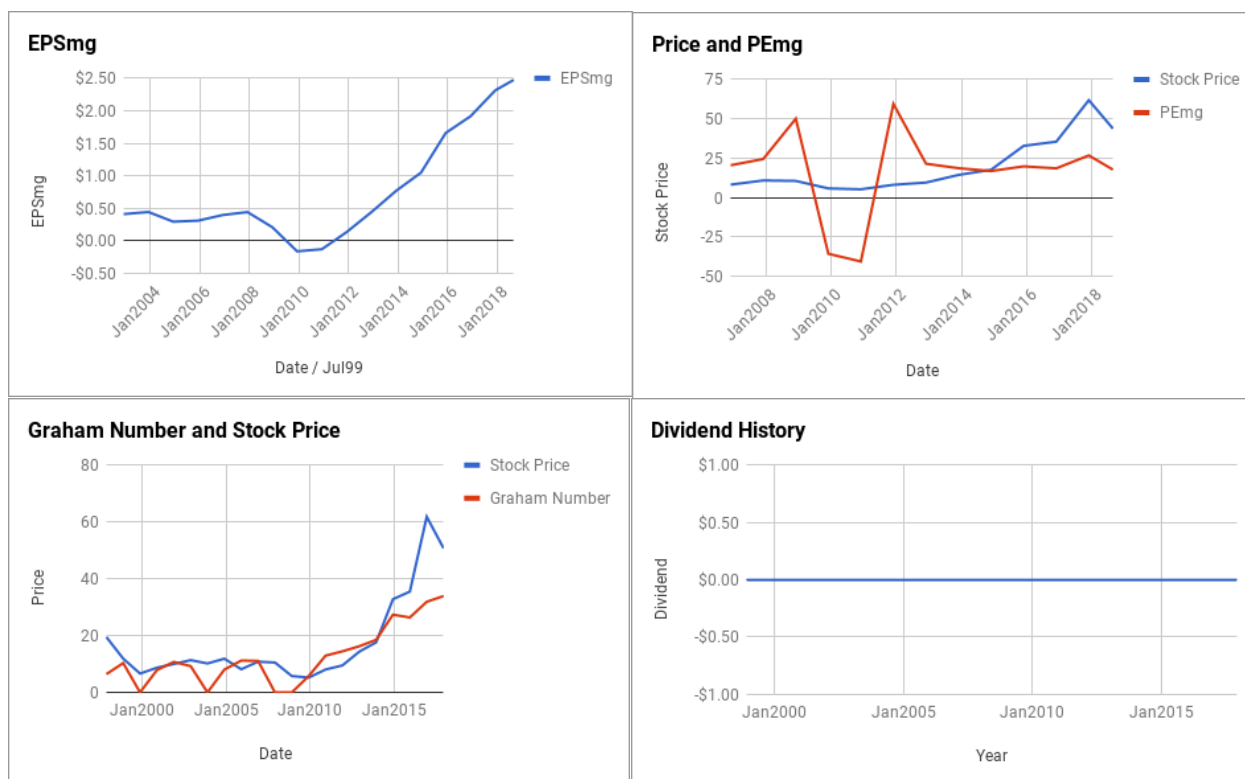
Net Current Asset Value (NCAV)	\$5.29
Graham Number	\$33.93
PEmg	17.67
Current Ratio	2.82
PB Ratio	2.05
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

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Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$2.51	Dec2017	\$2.48
Dec2016	\$2.85	Dec2016	\$2.31
Dec2015	\$2.16	Dec2015	\$1.92
Dec2014	\$2.71	Dec2014	\$1.66
Dec2013	\$1.28	Dec2013	\$1.05
Dec2012	\$1.14	Dec2012	\$0.77
Dec2011	\$0.99	Dec2011	\$0.44
Dec2010	\$0.82	Dec2010	\$0.14
Dec2009	\$0.16	Dec2009	-\$0.13
Dec2008	-\$0.88	Dec2008	-\$0.16
Dec2007	-\$0.31	Dec2007	\$0.21
Dec2006	\$0.55	Dec2006	\$0.44
Dec2005	\$0.63	Dec2005	\$0.40
Dec2004	\$0.32	Dec2004	\$0.31
Dec2003	-\$0.03	Dec2003	\$0.30
Dec2002	\$0.47	Dec2002	\$0.44
Dec2001	\$0.69	Dec2001	\$0.41
Dec2000	\$0.39	Balance Sheet Information	
Dec1999	-\$0.15	6/1/2018	
Dec1998	\$0.68	Total Current Assets	\$299,846,000
	\$0.26	Total Current Liabilities	\$106,310,000
		Long-Term Debt	\$76,784,000
		Total Assets	\$578,774,000
		Intangible Assets	\$103,351,000
		Total Liabilities	\$208,059,000
		Shares Outstanding (Diluted Average)	17,335,000





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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[Lydall Inc Valuation – Initial Coverage \\$LDL](#)

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