

# ModernGraham Valuation

## Company Name:

Company Ticker SMP  
Date of Analysis

Standard Motor  
Products, Inc.

8/4/2018



## 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	\$1,096,709,825	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.63	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	71.43%	Pass
5. Earnings Growth	PEmg < 20	22.39	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.37	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	1.63	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.13
MG Growth Estimate	1.07%
<b>MG Value</b>	<b>\$22.65</b>
MG Value based on 3% Growth	\$30.89
MG Value based on 0% Growth	\$18.11
Market Implied Growth Rate	6.94%

### MG Opinion

Current Price	\$47.69
% of Intrinsic Value	210.59%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

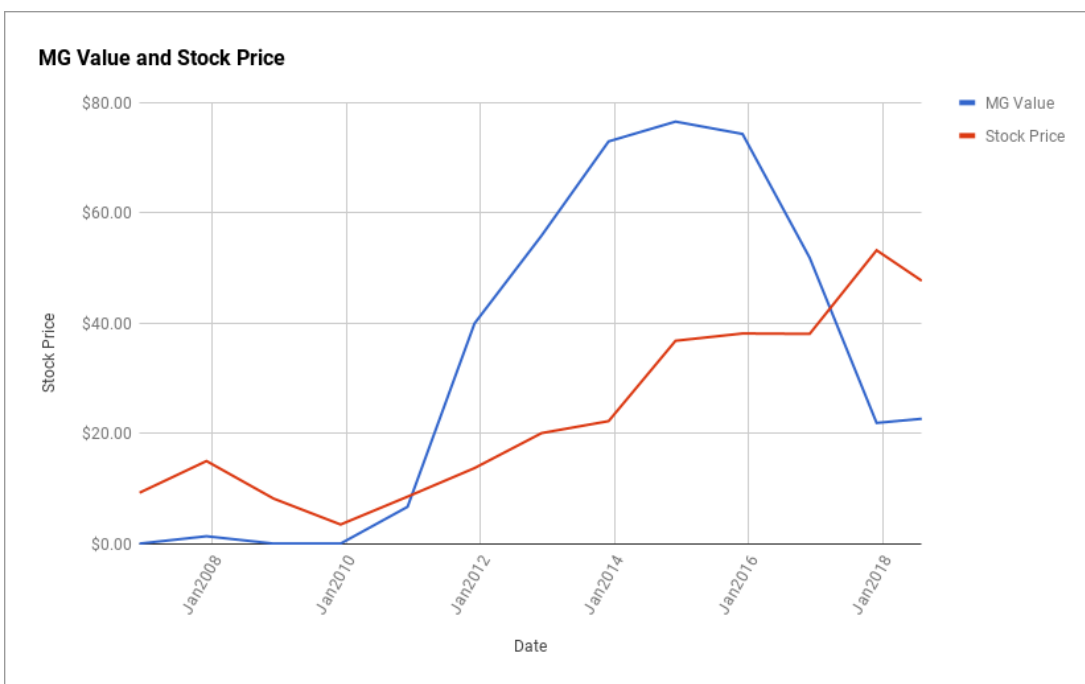
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$7.36
Graham Number	\$32.57
PEmg	22.39
Current Ratio	1.63
PB Ratio	2.37
Current Dividend	\$0.76
Dividend Yield	1.59%
Number of Consecutive Years of Dividend Growth	8

### Useful Links:

[ModernGraham tagged articles](#)  
[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)  
[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$2.34		\$2.13
Dec2017	\$1.64	Dec2017	\$2.04
Dec2016	\$2.62	Dec2016	\$2.19
Dec2015	\$1.99	Dec2015	\$2.02
Dec2014	\$1.85	Dec2014	\$1.99
Dec2013	\$2.21	Dec2013	\$1.90
Dec2012	\$1.79	Dec2012	\$1.45
Dec2011	\$2.70	Dec2011	\$1.04
Dec2010	\$0.97	Dec2010	\$0.17
Dec2009	\$0.18	Dec2009	-\$0.19
Dec2008	-\$1.24	Dec2008	-\$0.35
Dec2007	\$0.12	Dec2007	\$0.03
Dec2006	\$0.51	Dec2006	-\$0.21
Dec2005	-\$0.18	Dec2005	-\$0.63
Dec2004	-\$0.74	Dec2004	-\$0.76
Dec2003	-\$0.10	Dec2003	-\$0.61
Dec2002	-\$2.57	Dec2002	-\$0.56
Dec2001	-\$0.21	<b>Balance Sheet Information</b>	
Dec2000	\$0.81	<b>6/1/2018</b>	
Dec1999	\$0.58	Total Current Assets	\$558,591,000
Dec1998	\$1.69	Total Current Liabilities	\$341,753,000
		Long-Term Debt	\$34,000
		Total Assets	\$851,945,000
		Intangible Assets	\$119,576,000
		Total Liabilities	\$389,575,000
		Shares Outstanding (Diluted Average)	22,958,000





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

[12 Best Stocks for Value Investors This Week – 2/4/17](#)  
[Standard Motor Products Inc Valuation – Initial Coverage \\$SMP](#)

Other  
ModernGraham  
posts about related  
companies

[Harley-Davidson Inc Valuation – June 2018 \\$HOG](#)  
[Advance Auto Parts Inc Valuation – June 2018 \\$AAP](#)  
[LKQ Corporation – June 2018 \\$LKQ](#)  
[Aptiv PLC Valuation – Initial Coverage May 2018 \\$APTV](#)  
[BorgWarner Inc Valuation – April 2018 \\$BWA](#)  
[CarMax Inc Valuation – April 2018 \\$KMX](#)  
[Ford Motor Company Valuation – April 2018 \\$F](#)  
[General Motors Co Valuation – April 2018 \\$GM](#)  
[O'Reilly Automotive Inc Valuation – April 2018 \\$ORLY](#)  
[Goodyear Tire & Rubber Co Valuation – March 2018 \\$GT](#)