

ModernGraham Valuation

Kirkland Lake Gold
Ltd



Company Name:

Company Ticker TSE:KL

Date of Analysis

8/11/2018

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	\$5,090,684,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.74	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	-2731.68%	Fail
5. Earnings Growth	PEmg < 20	36.14	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.88	Fail
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	2.74	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.80
MG Growth Estimate	15.00%
MG Value	\$30.73
MG Value based on 3% Growth	\$11.57
MG Value based on 0% Growth	\$6.79
Market Implied Growth Rate	13.82%

MG Opinion

Current Price	\$28.85
% of Intrinsic Value	93.87%
Opinion	Fairly Valued
MG Grade	C+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$0.14
Graham Number	\$14.86
PEmg	36.14
Current Ratio	2.74
PB Ratio	3.88
Current Dividend	\$0.04
Dividend Yield	0.14%
Number of Consecutive Years of Dividend Growth	1

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.40	Next Fiscal Year Estimate	\$0.80
Dec2017	\$0.80	Dec2017	\$0.42
Dec2016	\$0.45	Dec2016	\$0.23
Apr2015	\$0.28	Apr2015	\$0.14
Apr2014	-\$0.16	Apr2014	\$0.07
Apr2013	-\$0.05	Apr2013	\$0.16
Apr2012	\$0.58	Apr2012	\$0.20
Apr2011	\$0.29	Apr2011	-\$0.01
Apr2010	-\$0.20	Apr2010	-\$0.16
Apr2009	-\$0.20	Apr2009	-\$0.18
Apr2008	-\$0.06	Apr2008	-\$0.23
Apr2007	-\$0.16	Apr2007	-\$0.34
Apr2006	-\$0.13	Apr2006	-\$0.42
Apr2005	-\$0.67	Apr2005	-\$0.49
Apr2004	-\$0.74	Apr2004	-\$0.35
Apr2003	-\$0.25	Apr2003	-\$0.13
Apr2002	-\$0.16	Apr2002	-\$0.05
Dec2001	\$0.00	Balance Sheet Information	
Dec2000	\$0.00	6/1/2018	
Dec1999	\$0.00	Total Current Assets	\$485,883,000
Dec1998	\$0.00	Total Current Liabilities	\$177,044,000
		Long-Term Debt	\$0
		Total Assets	\$2,038,858,000
		Intangible Assets	\$0
		Total Liabilities	\$456,244,000
		Shares Outstanding (Diluted Average)	212,998,000





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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