ModernGraham Valuation

Company Name:

Kirkland Lake Gold Ltd



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.

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	
5. Earnings Growth	beginning and end	-2731.68% Fail
6. Moderate PEmg Ratio	PEmg < 20	36.14 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.88 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

 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	Pass
	Score	

Suitability

Defensive No Yes Enterprising

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% **Fairly Valued**

Opinion

MG Grade C+

Stage 3: Information for Further Research

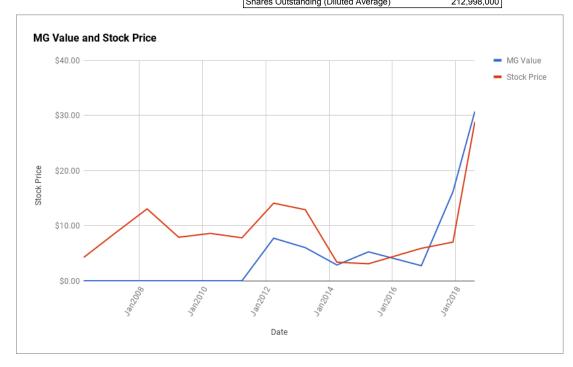
Net Current Asset Value (NCAV)	\$0.14
Graham Number	\$14.86
PEmg	36.14
Current Ratio	2.74
PB Ratio	3.88
Current Dividend	\$0.04
Dividend Yield	0.14%
Number of Consecutive Years of Dividend	
Growth	1

Morningstar

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EPS History		EPSmg History	
Next Fiscal Year			
Estimate		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	6/1/2018
Dec2000	\$0.00	Total Current Assets	\$485,883,000
Dec1999	\$0.00	Total Current Liabilities	\$177,044,000
Dec1998	\$0.00	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.

Recommended Reading:

Other ModernGraham posts about the company Kirkland Lakes Gold Ltd Valuation - Initial Coverage \$TSE:KL

Other ModernGraham posts about related companies

Natural Resource Partners LP Valuation – August 2018 \$NRP
Kaiser Aluminum Corp Valuation – August 2018 \$KALU
Semafo Inc Valuation – August 2018 \$TSE-SMF
US Silica Holdings Inc Valuation – August 2018 \$SLCA
Ivanhoe Mines Ltd Valuation – August 2018 \$TSE-IVN
Cleveland-Cliffs Inc Valuation – July 2018 \$CLF
Cloud Peak Energy Inc Valuation – July 2018 \$CLD
Wheaton Precious Metals Corp Valuation – July 2018 \$TSE-WPM
IAMGOLD Corp Valuation – July 2018 \$TSE:IMG
Centerra Gold Inc Valuation – July 2018 \$TSE:CG