

ModernGraham Valuation

Company Name:

Luminex Corporation

Company Ticker LMNX

Date of Analysis

10/3/2018



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	\$1,281,599,628	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	6.76	Pass
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	67.42%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	49.03	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.73	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	6.76	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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.59
MG Growth Estimate	3.76%
MG Value	\$9.38
MG Value based on 3% Growth	\$8.50
MG Value based on 0% Growth	\$4.98
Market Implied Growth Rate	20.26%

MG Opinion

Current Price	\$28.73
% of Intrinsic Value	306.22%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

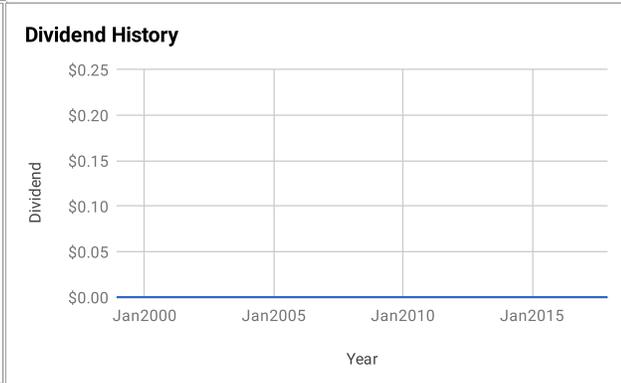
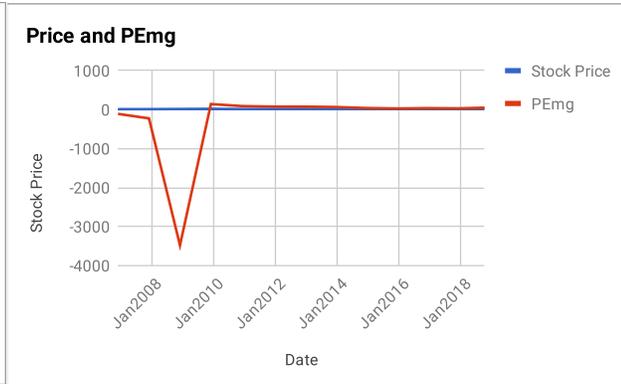
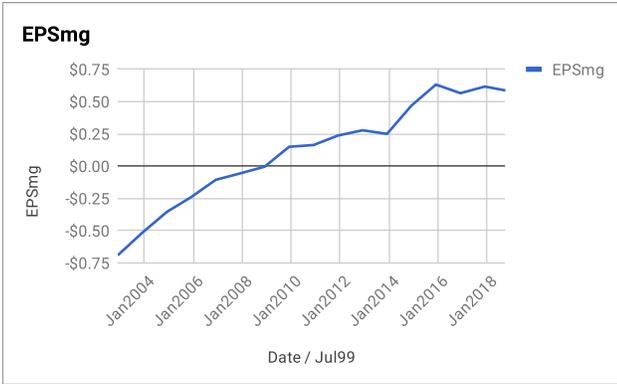
Net Current Asset Value (NCAV)	\$4.55
Graham Number	\$10.65
PEmg	49.03
Current Ratio	6.76
PB Ratio	2.73
Current Dividend	\$0.24
Dividend Yield	0.84%
Number of Consecutive Years of Dividend Growth	1

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.50	Next Fiscal Year Estimate	\$0.59
Dec2017	\$0.67	Dec2017	\$0.62
Dec2016	\$0.32	Dec2016	\$0.56
Dec2015	\$0.86	Dec2015	\$0.63
Dec2014	\$0.93	Dec2014	\$0.47
Dec2013	\$0.17	Dec2013	\$0.25
Dec2012	\$0.30	Dec2012	\$0.28
Dec2011	\$0.34	Dec2011	\$0.24
Dec2010	\$0.12	Dec2010	\$0.16
Dec2009	\$0.43	Dec2009	\$0.15
Dec2008	\$0.08	Dec2008	\$0.00
Dec2007	-\$0.08	Dec2007	-\$0.06
Dec2006	\$0.05	Dec2006	-\$0.11
Dec2005	-\$0.09	Dec2005	-\$0.24
Dec2004	-\$0.12	Dec2004	-\$0.36
Dec2003	-\$0.14	Dec2003	-\$0.52
Dec2002	-\$0.85	Dec2002	-\$0.69
Dec2001	-\$0.55	Balance Sheet Information 6/1/2018	
Dec2000	-\$0.52	Total Current Assets	\$245,843,000
Dec1999	-\$0.96	Total Current Liabilities	\$36,381,000
Dec1998	-\$0.43	Long-Term Debt	\$0
		Total Assets	\$510,228,000
		Intangible Assets	\$163,990,000
		Total Liabilities	\$44,699,000
		Shares Outstanding (Diluted Average)	44,246,000





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 [Luminex Corp Valuation – Initial Coverage \\$LMNX](#)

Other ModernGraham posts about related companies [LHC Group Inc Valuation – September 2018 \\$LHCG](#)
[Chartwell Retirement Residences Valuation – August 2018 \\$TSE:CSH.UN](#)
[STERIS PLC Valuation – August 2018 \\$STE](#)
[CryoLife Inc Valuation – August 2018 \\$CRY](#)
[Charles River Laboratories International Inc Valuation – August 2018 \\$CRL](#)
[Surmodics Inc Valuation – August 2018 \\$SRDX](#)
[Conmed Corp Valuation – August 2018 \\$CNMD](#)
[Invacare Corp Valuation – July 2018 \\$IVC](#)
[Select Medical Holdings Corp Valuation – July 2018 \\$SEM](#)
[Chemed Corp Valuation – July 2018 \\$CHE](#)