

# ModernGraham Valuation

Company Name:

Linamar Corporation

Company Ticker TSE:LNR

Date of Analysis

10/4/2018



## 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	\$3,840,394,427	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.92	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	1044.39%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	7.25	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.11	Pass

*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	1.92	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.62	Fail
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		Pass
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$8.11
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$312.11</b>
MG Value based on 3% Growth	\$117.55
MG Value based on 0% Growth	\$68.91
Market Implied Growth Rate	-0.63%

### MG Opinion

Current Price	\$58.76
% of Intrinsic Value	18.83%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B+</b>

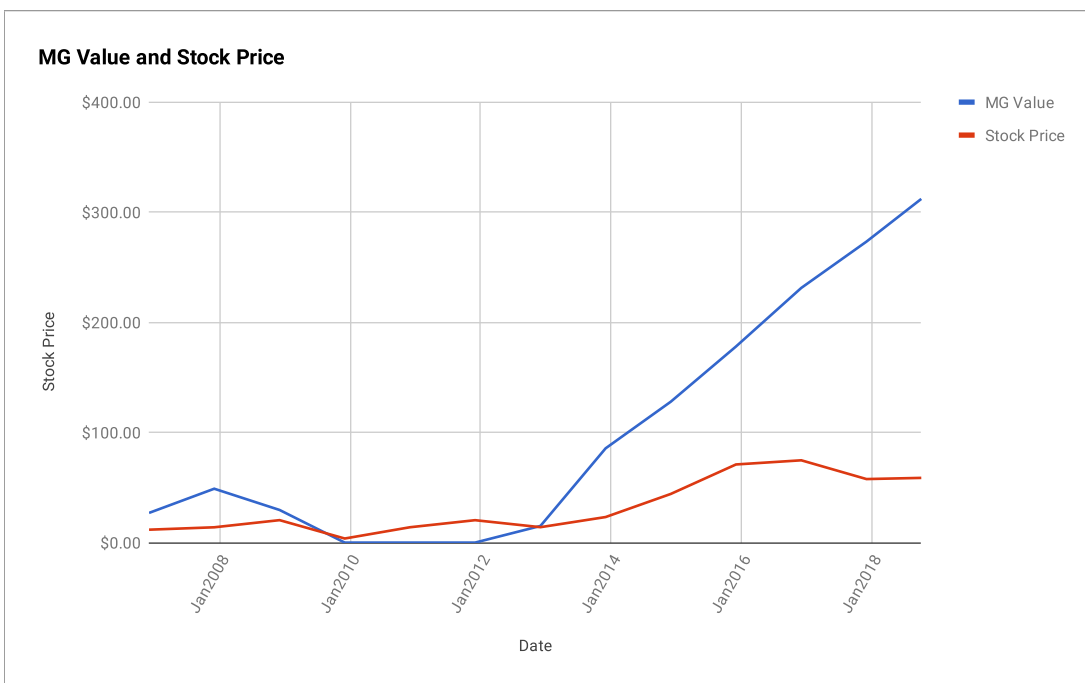
## Stage 3: Information for Further Research

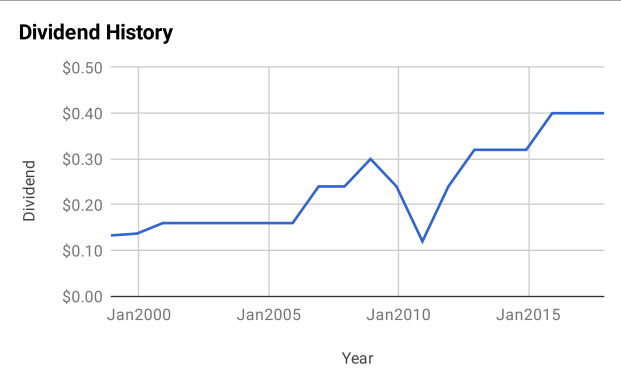
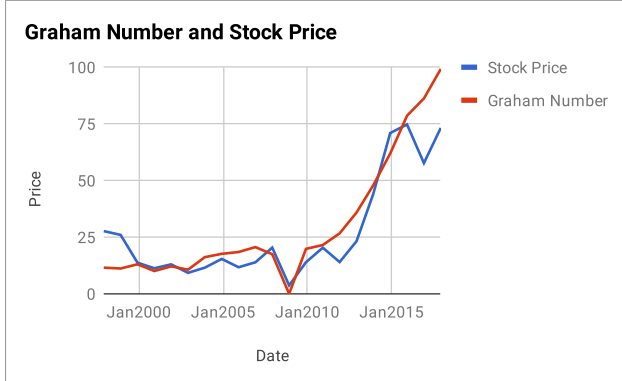
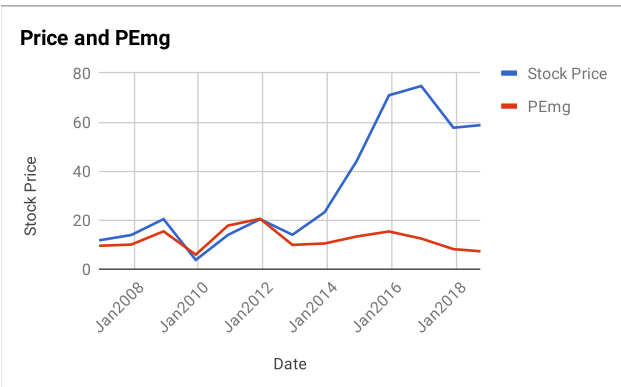
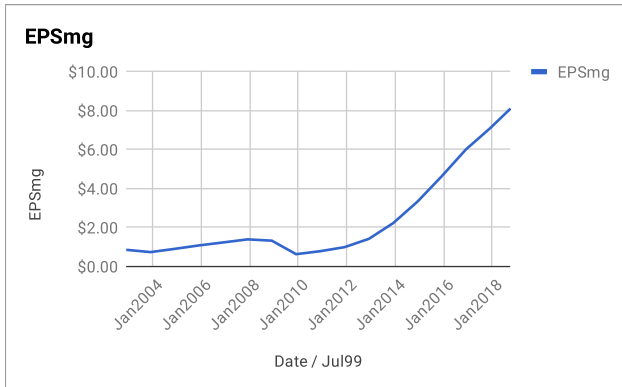
Net Current Asset Value (NCAV)	-\$18.85
Graham Number	\$99.21
PEmg	7.25
Current Ratio	1.92
PB Ratio	1.11
Current Dividend	\$0.48
Dividend Yield	0.82%
Number of Consecutive Years of Dividend Growth	1

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$9.28	Next Fiscal Year Estimate	\$8.11
Dec2017	\$8.32	Dec2017	\$7.10
Dec2016	\$7.92	Dec2016	\$6.01
Dec2015	\$6.63	Dec2015	\$4.62
Dec2014	\$4.90	Dec2014	\$3.32
Dec2013	\$3.52	Dec2013	\$2.22
Dec2012	\$2.25	Dec2012	\$1.42
Dec2011	\$1.56	Dec2011	\$0.99
Dec2010	\$1.40	Dec2010	\$0.78
Dec2009	-\$0.73	Dec2009	\$0.63
Dec2008	\$1.05	Dec2008	\$1.32
Dec2007	\$1.57	Dec2007	\$1.39
Dec2006	\$1.40	Dec2006	\$1.23
Dec2005	\$1.41	Dec2005	\$1.08
Dec2004	\$1.31	Dec2004	\$0.91
Dec2003	\$0.57	Dec2003	\$0.74
Dec2002	\$0.81	Dec2002	\$0.85
Dec2001	\$0.60	<b>Balance Sheet Information</b>	<b>6/1/2018</b>
Dec2000	\$1.12	Total Current Assets	\$3,291,655,000
Dec1999	\$0.92	Total Current Liabilities	\$1,715,388,000
Dec1998	\$1.17	Long-Term Debt	\$2,551,147,000
		Total Assets	\$8,048,907,000
		Intangible Assets	\$1,809,028,000
		Total Liabilities	\$4,538,710,000
		Shares Outstanding (Diluted Average)	66,148,000





**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**
- 10 Undervalued Stocks for the Enterprising Investor – August 2017
  - 10 Low PE Stock Picks for the Enterprising Investor – July 2017
  - 10 Undervalued Stocks for the Enterprising Investor – July 2017
  - 10 Low PE Stock Picks for the Enterprising Investor – April 2017
  - Best Stocks Below Their Graham Number – March 2017

- Other ModernGraham posts about related companies**
- [AutoNation Inc Valuation – September 2018 \\$AN](#)
  - [Superior Industries International Inc Valuation – August 2018 \\$SUP](#)
  - [Lydall Inc Valuation – August 2018 \\$LDL](#)
  - [Lithia Motors Inc Valuation – August 2018 \\$LAD](#)
  - [Carlisle Companies Inc Valuation – August 2018 \\$CSL](#)
  - [Delphi Technologies PLC Valuation – August 2018 \\$DLPH](#)
  - [Cooper-Standard Holdings Inc Valuation – August 2018 \\$CPS](#)
  - [Copart Inc Valuation – August 2018 \\$CPRT](#)
  - [Standard Motor Products Inc Valuation – August 2018 \\$SMP](#)
  - [Harley-Davidson Inc Valuation – June 2018 \\$HOG](#)