

# ModernGraham Valuation

Genuine Parts  
Company



## Company Name:

Company Ticker GPC

Date of Analysis

1/4/2019

## 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	\$13,785,072,914	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.33	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	57.16%	Pass
6. Moderate PEmg Ratio	PEmg < 20	19.61	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.78	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	1.33	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.30	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 Score		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.79
MG Growth Estimate	2.05%
<b>MG Value</b>	<b>\$60.34</b>
MG Value based on 3% Growth	\$69.46
MG Value based on 0% Growth	\$40.72
Market Implied Growth Rate	5.55%

### MG Opinion

Current Price	\$93.93
% of Intrinsic Value	155.68%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

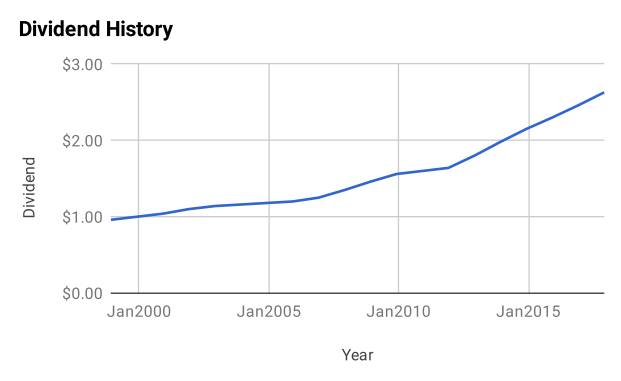
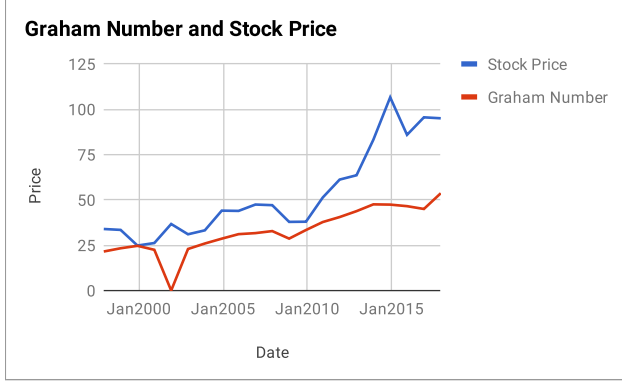
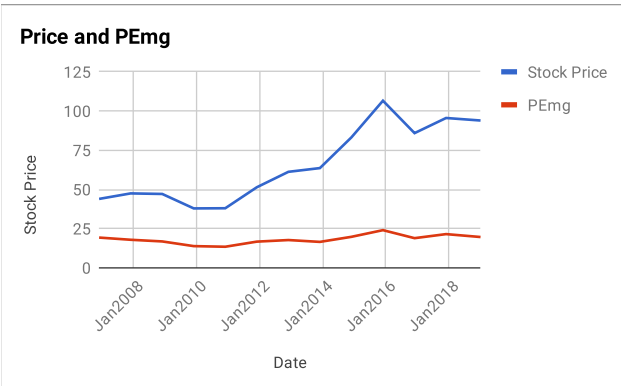
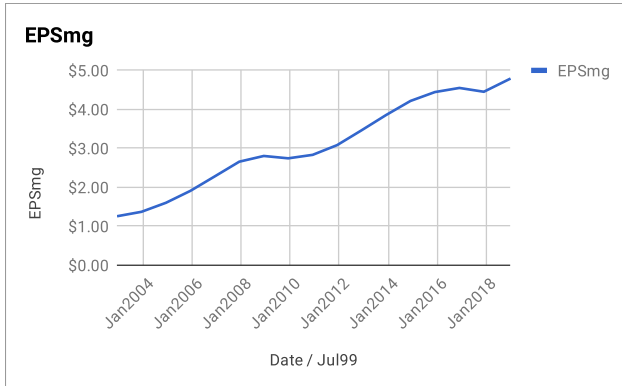
Net Current Asset Value (NCAV)	-\$9.79
Graham Number	\$53.66
PEmg	19.61
Current Ratio	1.33
PB Ratio	3.78
Current Dividend	\$2.70
Dividend Yield	2.87%
Number of Consecutive Years of Dividend Growth	20

### 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	\$5.50	Next Fiscal Year Estimate	\$4.79
Dec2017	\$4.18	Dec2017	\$4.45
Dec2016	\$4.59	Dec2016	\$4.55
Dec2015	\$4.63	Dec2015	\$4.44
Dec2014	\$4.61	Dec2014	\$4.22
Dec2013	\$4.40	Dec2013	\$3.85
Dec2012	\$4.14	Dec2012	\$3.46
Dec2011	\$3.58	Dec2011	\$3.08
Dec2010	\$3.00	Dec2010	\$2.83
Dec2009	\$2.50	Dec2009	\$2.74
Dec2008	\$2.92	Dec2008	\$2.80
Dec2007	\$2.98	Dec2007	\$2.66
Dec2006	\$2.76	Dec2006	\$2.28
Dec2005	\$2.50	Dec2005	\$1.91
Dec2004	\$2.25	Dec2004	\$1.60
Dec2003	\$1.91	Dec2003	\$1.37
Dec2002	-\$0.16	Dec2002	\$1.26
Dec2001	\$1.71	<b>Balance Sheet Information 9/1/2018</b>	
Dec2000	\$2.20	Total Current Assets	\$7,550,495,000
Dec1999	\$2.11	Total Current Liabilities	\$5,661,189,000
Dec1998	\$1.98	Long-Term Debt	\$2,463,452,000
		Total Assets	\$12,657,119,000
		Intangible Assets	\$3,518,470,000
		Total Liabilities	\$8,994,040,000
		Shares Outstanding (Diluted Average)	147,453,000





**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**
- [Genuine Parts Co Valuation – March 2018 \\$GPC](#)
  - [Best Dividend Paying Stocks for Dividend Growth Investors – August 2017](#)
  - [Genuine Parts Co Valuation – July 2016 \\$GPC](#)
  - [Dividend Growth Stocks for Intelligent Investors – June 2016](#)
  - [Dividend Growth Stocks for Intelligent Investors – February 2016](#)

- Other ModernGraham posts about related companies**
- [Autozone Inc Valuation – January 2019 \\$AZO](#)
  - [Linamar Corp Valuation – October 2018 \\$TSE-LNR](#)
  - [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](#)