



DSR STOCK CARD

08/17/2017

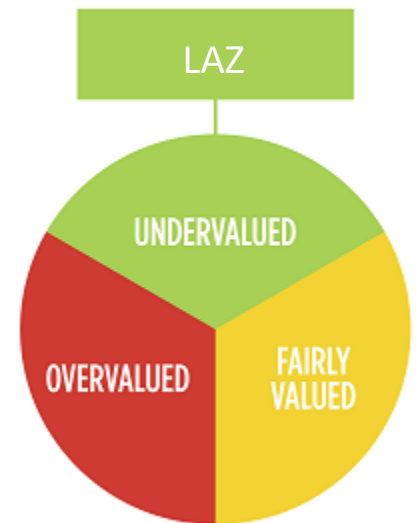
LAZARD (LAZ)

Business Model

Lazard, together with its subsidiaries, operates worldwide as a financial advisory and asset management firm. Financial Advisory segment offers services regarding mergers and acquisitions, strategic advisory matters, etc. LAZ was founded in 1840 and manages over \$189B. It is well known for its experience in asset management and in M&A.

What Makes It a Great Company

- In recent years, quarterly dividends paid almost tripled and LAZ should continue increasing its payout in the future.
- The M&A industry should keep doing well and LAZ will greatly benefit from its unique expertise in this field.
- LAZ is much diversified and revenue sources enable a better stability during potential economic downturns.



Investment Thesis

LAZ is a relatively new dividend grower and is not even part of the Dividend Achievers list. Still, with a dividend yield of 3.72% on top of some special dividend payments, LAZ is an interesting stock to hold. Lazard has the largest geographic footprint in the mergers and acquisitions field. On top of its M&A business, LAZ is known for its restructuring financial advices services. Therefore, regardless if the market goes well (which encourages M&A) or if it slows down (which encourages restructuring), LAZ will find a profitable niche.

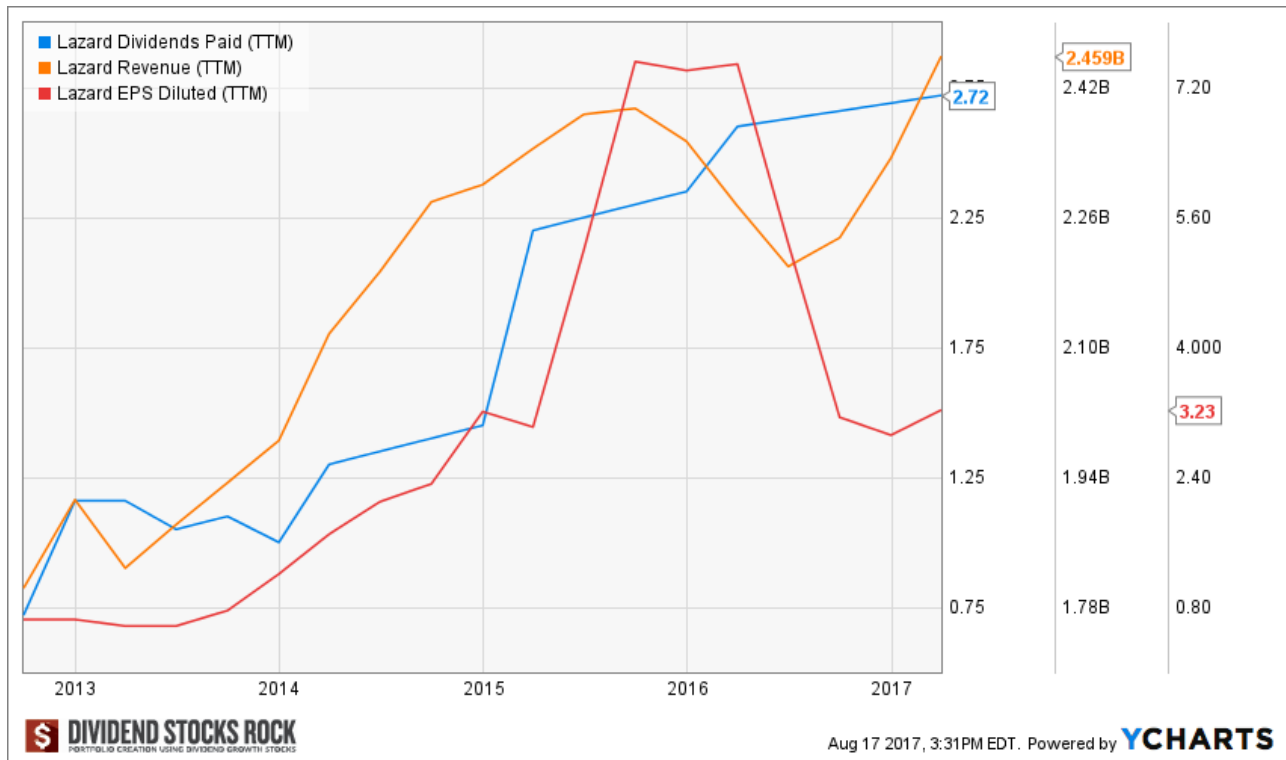
VALUATION

Intrinsic Value	Discount Rate (Horizontal)		
	9.00%	10.00%	11.00%
Margin of Safety			
20% Premium	\$95.17	\$67.66	\$52.39
10% Premium	\$87.24	\$62.02	\$48.05
Intrinsic Value	\$79.31	\$56.38	\$43.66
10% Discount	\$71.38	\$50.75	\$39.29
20% Discount	\$63.45	\$45.11	\$34.93



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COMPANY NAME (TICKER): LAZARD (LAZ)

TYPE OF HOLDING: CONSERVATIVE

SECTOR: FINANCIAL SERVICES

CURRENT DIVIDEND YIELD: 3.72%

5 YEAR REVENUE GROWTH: 4.99%

5 YEAR EPS GROWTH: 14.65%

5 YEAR DIVIDEND GROWTH: 19.75%

PAYOUT RATIO: 77.96%

Potential Risks

While Lazard has been quite efficient in its niche market, the company is relatively small compared to other big players. LAZ market cap is \$5.5 billion compared to \$67 billion for BlackRock (BLK). This creates a situation of vulnerability in the event of market fluctuation or deceiving economic news.

Dividend Growth Perspective

While LAZ payout ratio seems high, its cash payout ratio is very low (44.04%). Therefore, you can expect LAZ to continue its 6-year streak with a dividend increase announcement. Management has also started to pay special dividend three years ago. While our calculations don't include these special payments, they surely please many shareholders.