

# ModernGraham Valuation

Company Name:

Ford Motor Company

Company Ticker F

Date of Analysis

8/28/2015



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

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	1.59
MG Growth Estimate	3.28%
<b>MG Value</b>	<b>\$23.90</b>
MG Value based on 3% Growth	\$23.02
MG Value based on 0% Growth	\$13.49
Market Implied Growth Rate	0.08%

### MG Opinion

Current Price	\$13.76
% of Intrinsic Value	57.58%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$6.82
PEmg	8.67
Current Ratio	3.03
PB Ratio	2.09
Dividend Yield	4.00%
Number of Consecutive Years of Dividend Growth	4

### 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	\$1.51	Next Fiscal Year Estimate	\$1.59
Dec14	\$0.80	Dec14	\$1.79
Dec13	\$1.76	Dec13	\$2.23
Dec12	\$1.42	Dec12	\$1.80
Dec11	\$4.94	Dec11	\$1.30
Dec10	\$1.66	Dec10	-\$1.15
Dec09	\$0.86	Dec09	-\$2.57
Dec08	-\$6.50	Dec08	-\$3.67
Dec07	-\$1.38	Dec07	-\$1.89
Dec06	-\$6.72	Dec06	-\$1.68
Dec05	\$0.77	Dec05	\$0.55
Dec04	\$1.52	Dec04	\$0.39
Dec03	\$0.13	Dec03	\$0.26
Dec02	\$0.47	Dec02	\$1.35
Dec01	-\$3.02	Dec01	\$2.52
Dec00	\$2.30	Dec00	\$5.22
Dec99	\$5.86	Dec99	\$6.13
Dec98	\$11.31	<b>Balance Sheet Information Jun15</b>	
Dec97	\$3.58	Total Current Assets	\$162,375,000,000
Dec96	\$2.32	Total Current Liabilities	\$53,676,000,000
Dec95	\$2.12	Long-Term Debt	\$110,076,000,000
		Total Assets	\$216,045,000,000
		Intangible Assets	\$0
		Total Liabilities	\$189,711,000,000
		Shares Outstanding (Diluted Average)	4,007,000,000



**Disclaimer:**

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author held a long position in F 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 Low PE Stocks for the Enterprising Investor – August 2015](#)

[10 Undervalued Companies for the Enterprising Dividend Stock Investor – August 2015](#)

[10 Companies Benjamin Graham Would Invest In Today – August 2015](#)

[5 Low PE Stocks for the Enterprising Investor – July 2015](#)

[5 Undervalued Companies for Enterprising Investors With High Dividend Yields – July 2015](#)

**Other  
ModernGraham  
posts about related  
companies**

[Advance Auto Parts Inc. Analysis – Initial Coverage \\$AAP](#)

[General Motors Company Analysis – 2015 Update \\$GM](#)

[BorgWarner Inc. Analysis – July 2015 Update \\$BWA](#)

[Paccar Inc. Analysis – July 2015 Update \\$PCAR](#)

[Harley Davidson Analysis – June 2015 Update \\$HOG](#)

[Delphi Automotive Analysis – 2015 Update \\$DLPH](#)

[Genuine Parts Company Analysis – June 2015 Quarterly Update \\$GPC](#)

[Harman International Industries Analysis – June 2015 Quarterly Update \\$HAR](#)

[Ford Motor Company Stock Analysis – May 2015 Quarterly Update \\$F](#)

[BorgWarner Inc. Quarterly Valuation – April 2015 \\$BWA](#)