

# ModernGraham Valuation

## Company Name:

Company Ticker IFF

Date of Analysis

8/26/2015

International Flavors  
& Fragrances Inc



## 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	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	Pass
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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	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	4.61
MG Growth Estimate	7.90%
<b>MG Value</b>	<b>\$111.95</b>
MG Value based on 3% Growth	\$66.80
MG Value based on 0% Growth	\$39.16
Market Implied Growth Rate	7.38%

### MG Opinion

Current Price	\$107.16
% of Intrinsic Value	95.72%
<b>Opinion</b>	<b>Fairly Valued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$3.80
PEmg	23.26
Current Ratio	3.29
PB Ratio	5.36
Dividend Yield	1.75%
Number of Consecutive Years of Dividend Growth	13

### 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	\$5.31	Next Fiscal Year Estimate	\$4.61
Dec14	\$5.06	Dec14	\$4.10
Dec13	\$4.29	Dec13	\$3.50
Dec12	\$3.09	Dec12	\$3.07
Dec11	\$3.26	Dec11	\$3.02
Dec10	\$3.26	Dec10	\$2.86
Dec09	\$2.46	Dec09	\$2.61
Dec08	\$2.86	Dec08	\$2.61
Dec07	\$2.82	Dec07	\$2.40
Dec06	\$2.48	Dec06	\$2.15
Dec05	\$2.04	Dec05	\$1.92
Dec04	\$2.05	Dec04	\$1.78
Dec03	\$1.83	Dec03	\$1.61
Dec02	\$1.84	Dec02	\$1.51
Dec01	\$1.20	Dec01	\$1.42
Dec00	\$1.22	Dec00	\$1.57
Dec99	\$1.53	Dec99	\$1.79
Dec98	\$1.90	<b>Balance Sheet Information Jun15</b>	
Dec97	\$1.99	Total Current Assets	\$1,722,254,000
Dec96	\$1.70	Total Current Liabilities	\$523,521,000
Dec95	\$2.24	Long-Term Debt	\$989,196,000
		Total Assets	\$3,653,628,000
		Intangible Assets	\$908,974,000
		Total Liabilities	\$2,030,628,000
		Shares Outstanding (Diluted Average)	81,192,000



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

[International Flavors & Fragrances Inc. Quarterly Valuation – May 2015 \\$IFF](#)  
[28 Companies in the Spotlight This Week – 2/28/15](#)  
[International Flavors & Fragrances Inc. Quarterly Valuation – February 2015 \\$IFF](#)  
[22 Companies in the Spotlight This Week – 11/29/14](#)  
[International Flavors & Fragrances Inc. Quarterly Valuation – November 2014 \\$IFF](#)

Other  
ModernGraham  
posts about related  
companies

[Estee Lauder Companies Analysis – August 2015 Update \\$EL](#)  
[International Flavors & Fragrances Inc. Quarterly Valuation – May 2015 \\$IFF](#)  
[Estee Lauder Companies Quarterly Valuation – April 2015 \\$EL](#)  
[International Flavors & Fragrances Inc. Quarterly Valuation – February 2015 \\$IFF](#)  
[Proctor & Gamble Annual Valuation – 2015 \\$PG](#)  
[Kimberly Clark Corporation Annual Valuation – 2015 \\$KMB](#)  
[Estee-Lauder Quarterly Valuation – January 2015 \\$EL](#)  
[Avon Products Inc. Annual Valuation – 2015 \\$AVP](#)  
[Colgate-Palmolive Annual Valuation – 2014 \\$CL](#)  
[International Flavors & Fragrances Inc. Quarterly Valuation – November 2014 \\$IFF](#)