# **ModernGraham Valuation**

### **Company Name:**

Company Ticker BF.B Date of Analysis Brown-Forman Corporation



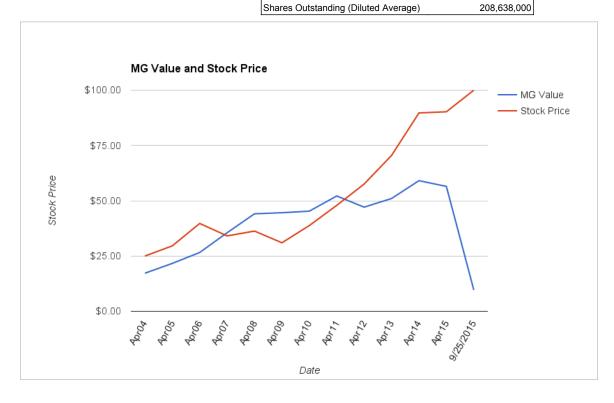
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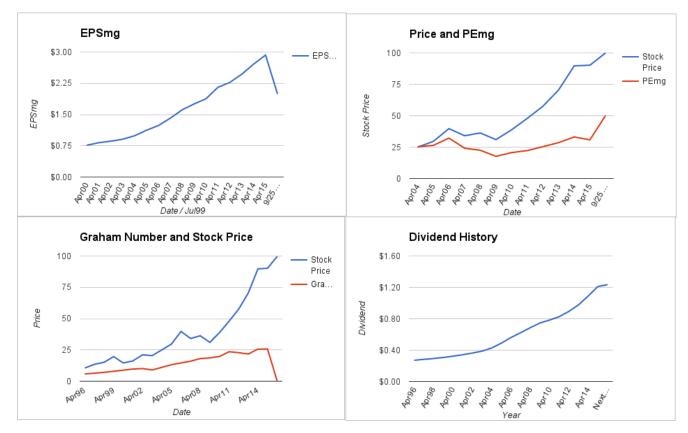
## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests

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	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$21,669,328,300 Pass		
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.85 Pass		
	3. Earnings Stability	Positive EPS for 10 years prior	Fail		
	<ol> <li>Dividend Record</li> <li>Earnings Growth</li> </ol>	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Pass 71.47% Pass		
	6. Moderate PEmg Ratio	PEmg < 20	50.18 Fail		
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	12.22 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	2.85 Pass		
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.80 Pass		
	3. Earnings Stability	Positive EPS for 5 years prior	Fail		
	4. Dividend Record	Currently Pays Dividend	Pass		
	5. Earnings Growth	EPSmg greater than 5 years ago	Fail		
Suitability Defensive No					
	Enterprising	No			
Stage 2: Dete	ermination of Intrinsic Value				
	EPSmg	\$1.99			
	MG Growth Estimate	-1.82%			
	MG Value	\$9.67			
	MG Value based on 3% Growth	\$28.90			
	MG Value based on 0% Growth	\$16.94			
	Market Implied Growth Rate	20.84%			
MG Opinion					
	Current Price	\$100.00			
	% of Intrinsic Value	1033.83%			
	Opinion	Overvalued			
	opinion	Overvalued			
Stage 3: Information for Further Research					
	Net Current Asset Value (NCAV)	-\$1.23			
	Graham Number	\$0.00			
	PEmg	50.18			
	Current Ratio	2.85			
	PB Ratio	12.22			
	Dividend Yield	1.24%			
	Number of Consecutive Years of Dividend Growth	20			
Useful Links:	ModernGraham tagged articles	Morningstar			
	Google Finance	MSN Money			
	Yahoo Finance	Seeking Alpha			
	GuruFocus	SEC Filings			

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	\$1.99
Apr15	\$3.21	Apr15	\$2.93
Apr14	\$3.06	Apr14	\$2.71
Apr13	\$2.75	Apr13	\$2.47
Apr12	\$2.37	Apr12	\$2.27
Apr11	\$2.60	Apr11	\$2.15
Apr10	\$2.01	Apr10	\$1.88
Apr09	\$1.91	Apr09	\$1.75
Apr08	\$1.90	Apr08	\$1.61
Apr07	\$1.67	Apr07	\$1.41
Apr06	\$1.39	Apr06	\$1.23
Apr05	\$1.34	Apr05	\$1.12
Apr04	\$1.13	Apr04	\$0.99
Apr03	\$0.97	Apr03	\$0.91
Apr02	\$0.89	Apr02	\$0.86
Apr01	\$0.91	Apr01	\$0.82
Apr00	\$0.85	Apr00	\$0.76
Apr99	\$0.78	Balance Sheet Information	Jul15
Apr98	\$0.71	Total Current Assets	\$2,371,000,000
Apr97	\$0.65	Total Current Liabilities	\$833,000,000
Apr96	\$0.62	Long-Term Debt	\$1,229,000,000
		Total Assets	\$4,334,000,000
		Intangible Assets	\$1,210,000,000
		Total Liabilities	\$2,627,000,000
		Shares Outstanding (Diluted Average)	208 638 000





#### 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 Oraham	Brown-Forman Corporation Analysis – June 2015 Update \$BF.B	
ModernGraham posts about the	18 Companies in the Spotlight This Week - 3/21/15	
company	Brown-Forman Corporation Quarterly Valuation – March 2015 \$BF.B	
	26 Companies in the Spotlight This Week - 12/13/14	
	Brown-Forman Corporation Quarterly Valuation – December 2014 \$BF.B	
Other ModernGraham	Brown-Forman Corporation Analysis – June 2015 Update \$BF.B	
posts about related	Philip Morris International Annual Valuation – 2015 \$PM	
companies	Brown-Forman Corporation Quarterly Valuation – March 2015 \$BF.B	
	Lorillard Inc. Quarterly Valuation – March 2015 \$LO	
	Reynolds American Inc. Annual Valuation – 2015 \$RAI	
	Altria Group Inc. Annual Valuation – 2015 \$MO	
	Brown-Forman Corporation Quarterly Valuation – December 2014 \$BF.B	
	Constellation Brands Inc. Annual Valuation – 2014 \$STZ	
	Lorillard Inc. Quarterly Valuation – December 2014 \$LO	
	Molson Coors Brewing Company Annual Valuation – 2014 \$TAP	