ModernGraham Valuation

Company Name:

Wolverine World Wide, Inc.



www Company Ticker

Date of Analysis 9/24/2015

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.

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1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$2,335,231,654 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.83 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at	Pass
5. Earnings Growth	beginning and end	44.77% Pass
6. Moderate PEmg Ratio	PEmg < 20	18.94 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.31 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	2.83 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.10 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

Defensive Yes Enterprising Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.20
MG Growth Estimate	2.90%
MG Value	\$17.11
MG Value based on 3% Growth	\$17.34
MG Value based on 0% Growth	\$10.17
Market Implied Growth Rate	5.22%

MG Opinion

Current Price \$22.65 % of Intrinsic Value 132.36%

Opinion Overvalued

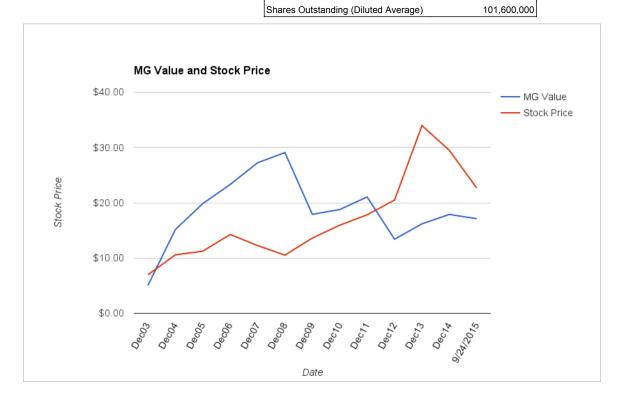
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$4.45
Graham Number	\$17.31
PEmg	18.94
Current Ratio	2.83
PB Ratio	2.31
Dividend Yield	1.06%
Number of Consecutive Years of Dividend Growth	2

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	\$1.38	Next Fiscal Year Estimate	\$1.20
Dec14	\$1.30	Dec14	\$1.10
Dec13	\$0.99	Dec13	\$0.98
Dec12	\$0.82	Dec12	\$0.96
Dec11	\$1.24	Dec11	\$1.00
Dec10	\$1.06	Dec10	\$0.87
Dec09	\$0.62	Dec09	\$0.77
Dec08	\$0.95	Dec08	\$0.81
Dec07	\$0.85	Dec07	\$0.71
Dec06	\$0.74	Dec06	\$0.61
Dec05	\$0.64	Dec05	\$0.52
Dec04	\$0.55	Dec04	\$0.42
Dec03	\$0.42	Dec03	\$0.34
Dec02	\$0.38	Dec02	\$0.30
Dec01	\$0.36	Dec01	\$0.26
Dec00	\$0.09	Dec00	\$0.22
Dec99	\$0.26	Dec99	\$0.28
Dec98	\$0.32	Balance Sheet Information	Jun15
Dec97	\$0.32	Total Current Assets	\$1,108,000,000
Dec96	\$0.26	Total Current Liabilities	\$391,000,000
Dec95	\$0.21	Long-Term Debt	\$787,900,000
		Total Assets	\$2,554,600,000
		Intangible Assets	\$1,229,700,000
		Total Liabilities	\$1,559,900,000
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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

Wolverine World Wide Analysis – June 2015 Update \$WWW

18 Companies in the Spotlight This Week – 3/21/15

Wolverine World Wide Inc. Quarterly Valuation - March 2015 \$WWW

26 Companies in the Spotlight This Week - 12/13/14

Wolverine World Wide Quarterly Valuation – December 2014 \$WWW

Other ModernGraham posts about related companies

Ralph Lauren Corporation Analysis – September 2015 Update \$RL

Gap Inc Analysis – September 2015 Update \$GPS

VF Corporation Analysis – September 2015 Update \$VFC

L Brands Inc. Analysis – August 2015 Update \$LB

Abercrombie & Fitch Company Analysis - Initial Coverage \$ANF

Nike Inc. Analysis – August 2015 Update \$NKE

The Best Companies of the Apparel Industry – June 2015 \$GPS \$HBI \$KORS \$RL

\$VFC

American Eagle Outfitters Analysis - Initial Coverage \$AEO

Under Armour Inc. Analysis – Initial Coverage \$UA

Hanesbrands Inc. Analysis – Initial Coverage \$HBI