

ModernGraham Valuation

Company Name:

Company Ticker WWW

Date of Analysis

9/24/2015

Wolverine World
Wide, 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 | \$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 | Pass |
| | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | 44.77% Pass |
| 5. Earnings Growth | | |
| 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 |
| | | Shares Outstanding (Diluted Average) | 101,600,000 |





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

[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](#)