

# ModernGraham Valuation

## Company Name:

Company Ticker CF  
Date of Analysis 3/22/2016

CF Industries  
Holdings, 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	\$8,188,223,738	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.93	Fail
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	95.25%	Pass
6. Moderate PEmg Ratio	PEmg < 20	9.96	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.05	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	0.93	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-63.48	Fail
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		Fail

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.52
MG Growth Estimate	-0.54%
<b>MG Value</b>	<b>\$26.16</b>
MG Value based on 3% Growth	\$51.06
MG Value based on 0% Growth	\$29.93
Market Implied Growth Rate	0.73%

### MG Opinion

Current Price	\$35.06
% of Intrinsic Value	134.01%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>B-</b>

## Stage 3: Information for Further Research

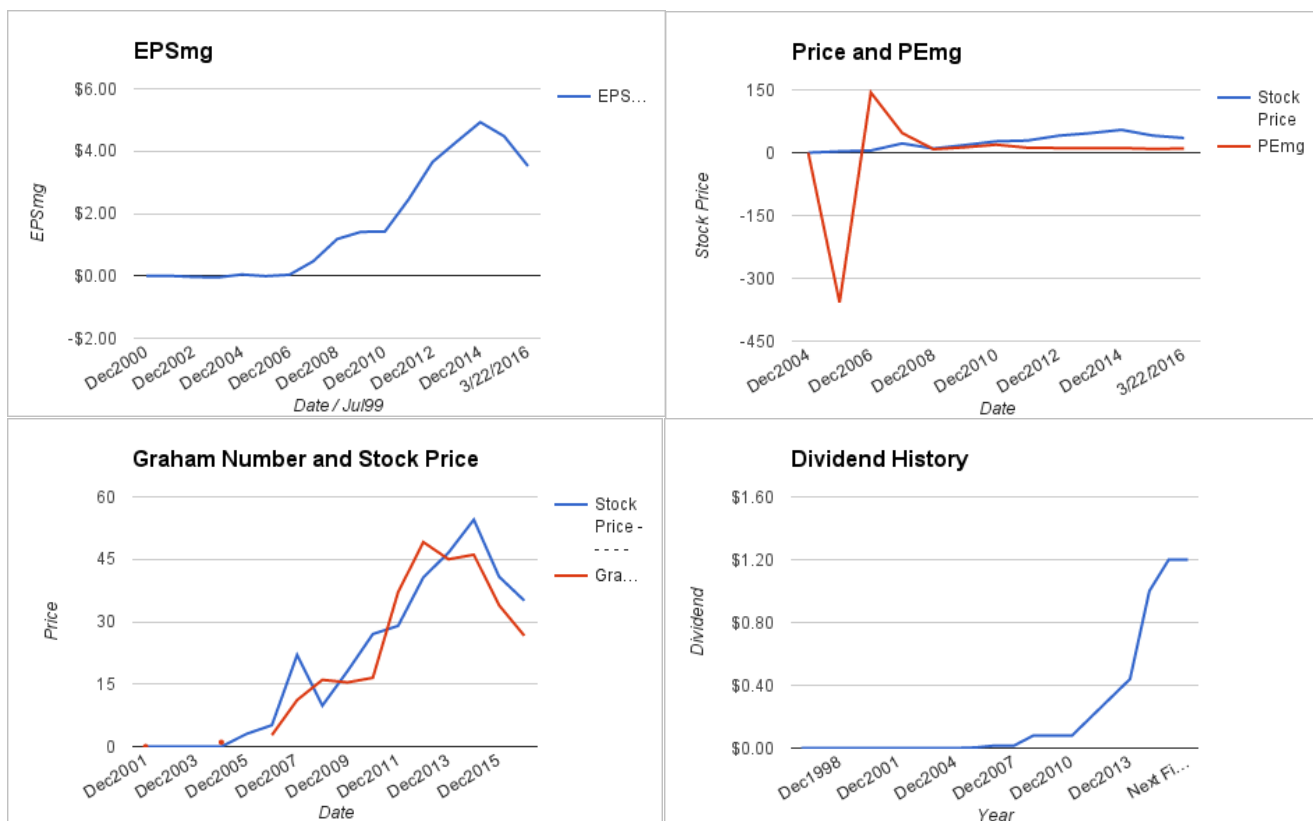
Net Current Asset Value (NCAV)	-\$32.09
Graham Number	\$26.63
PEmg	9.96
Current Ratio	0.93
PB Ratio	2.05
Dividend Yield	3.42%
Number of Consecutive Years of Dividend Growth	6

### 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>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.82	Next Fiscal Year Estimate	\$3.52
Dec2015	\$2.96	Dec2015	\$4.48
Dec2014	\$5.42	Dec2014	\$4.93
Dec2013	\$4.95	Dec2013	\$4.30
Dec2012	\$5.72	Dec2012	\$3.65
Dec2011	\$4.40	Dec2011	\$2.46
Dec2010	\$1.07	Dec2010	\$1.42
Dec2009	\$1.48	Dec2009	\$1.41
Dec2008	\$2.43	Dec2008	\$1.18
Dec2007	\$1.31	Dec2007	\$0.47
Dec2006	\$0.12	Dec2006	\$0.04
Dec2005	-\$0.14	Dec2005	-\$0.01
Dec2004	\$0.25	Dec2004	\$0.04
Dec2003	-\$0.07	Dec2003	-\$0.05
Dec2002	-\$0.10	Dec2002	-\$0.03
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	<b>Balance Sheet Information                      Dec2015</b>	
Dec1998	\$0.00	Total Current Assets	\$1,127,100,000
Dec1997	\$0.00	Total Current Liabilities	\$1,215,200,000
Dec1996	\$0.00	Long-Term Debt	\$5,592,700,000
		Total Assets	\$12,738,900,000
		Intangible Assets	\$2,390,100,000
		Total Liabilities	\$8,703,700,000
		Shares Outstanding (Diluted Average)	236,100,000





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

- [10 Companies Benjamin Graham Would Invest In Today – March 2016](#)
- [CF Industries Holdings Inc. Analysis – September 2015 Update \\$CF](#)
- [10 Most Undervalued Companies for the Defensive Investor – September 2015](#)
- [10 Companies Benjamin Graham Would Invest In Today – September 2015](#)
- [10 Low PE Stocks for the Defensive Investor – August 2015](#)

Other  
ModernGraham  
posts about related  
companies

- [Monsanto Company Valuation – January 2016 Update \\$MON](#)
- [Mosaic Company Valuation – October 2015 Update \\$MOS](#)
- [CF Industries Holdings Inc. Analysis – September 2015 Update \\$CF](#)
- [Monsanto Company Analysis – September 2015 Update \\$MON](#)
- [Mosaic Company Analysis – July 2015 Update \\$MOS](#)
- [CF Industries Holdings Analysis – June 2015 Update \\$CF](#)
- [Mosaic Inc. Quarterly Valuation – April 2015 \\$MOS](#)
- [CF Industries Holdings Inc. Quarterly Valuation – March 2015 \\$CF](#)
- [Mosaic Company Quarterly Valuation – January 2015 \\$MOS](#)
- [CF Industries Holdings Inc. Quarterly Valuation – December 2014 \\$CF](#)