

ModernGraham Valuation

Company Name:

Company Ticker IFF
Date of Analysis

International Flavors
& Fragrances Inc

6/24/2016



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	\$9,895,765,047	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.65	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	92.27%	Pass
6. Moderate PEmg Ratio	PEmg < 20	24.84	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.08	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	2.65	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.16	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		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.98
MG Growth Estimate	9.34%
MG Value	\$135.43
MG Value based on 3% Growth	\$72.25
MG Value based on 0% Growth	\$42.35
Market Implied Growth Rate	8.17%

MG Opinion

Current Price	\$123.78
% of Intrinsic Value	91.40%
Opinion	Fairly Valued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$8.00
Graham Number	\$50.06
PEmg	24.84
Current Ratio	2.65
PB Ratio	6.08
Current Dividend	\$2.15
Dividend Yield	1.74%
Number of Consecutive Years of Dividend Growth	14

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.45	Next Fiscal Year Estimate	\$4.98
Dec2015	\$5.16	Dec2015	\$4.56
Dec2014	\$5.06	Dec2014	\$4.10
Dec2013	\$4.29	Dec2013	\$3.50
Dec2012	\$3.09	Dec2012	\$3.07
Dec2011	\$3.26	Dec2011	\$3.02
Dec2010	\$3.26	Dec2010	\$2.86
Dec2009	\$2.46	Dec2009	\$2.62
Dec2008	\$2.87	Dec2008	\$2.61
Dec2007	\$2.82	Dec2007	\$2.40
Dec2006	\$2.48	Dec2006	\$2.15
Dec2005	\$2.04	Dec2005	\$1.92
Dec2004	\$2.05	Dec2004	\$1.78
Dec2003	\$1.83	Dec2003	\$1.61
Dec2002	\$1.84	Dec2002	\$1.51
Dec2001	\$1.20	Dec2001	\$1.42
Dec2000	\$1.22	Dec2000	\$1.57
Dec1999	\$1.53	Balance Sheet Information 3/1/2016	
Dec1998	\$1.90	Total Current Assets	\$1,891,529,000
Dec1997	\$1.99	Total Current Liabilities	\$712,748,000
Dec1996	\$1.71	Long-Term Debt	\$1,369,955,000
		Total Assets	\$4,162,460,000
		Intangible Assets	\$1,253,265,000
		Total Liabilities	\$2,532,096,000
		Shares Outstanding (Diluted Average)	80,055,000





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.

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