

ModernGraham Valuation

Company Name:

Company Ticker CF
Date of Analysis

CF Industries
Holdings, Inc.

8/31/2016



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	\$6,350,130,514 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.36 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	61.94% Pass
6. Moderate PEmg Ratio	PEmg < 20	8.84 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.52 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	4.36 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.13 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

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.94
MG Growth Estimate	-2.92%
MG Value	\$7.84
MG Value based on 3% Growth	\$42.65
MG Value based on 0% Growth	\$25.00
Market Implied Growth Rate	0.17%

MG Opinion

Current Price	\$26.00
% of Intrinsic Value	331.76%
Opinion	Overvalued
MG Grade	B-

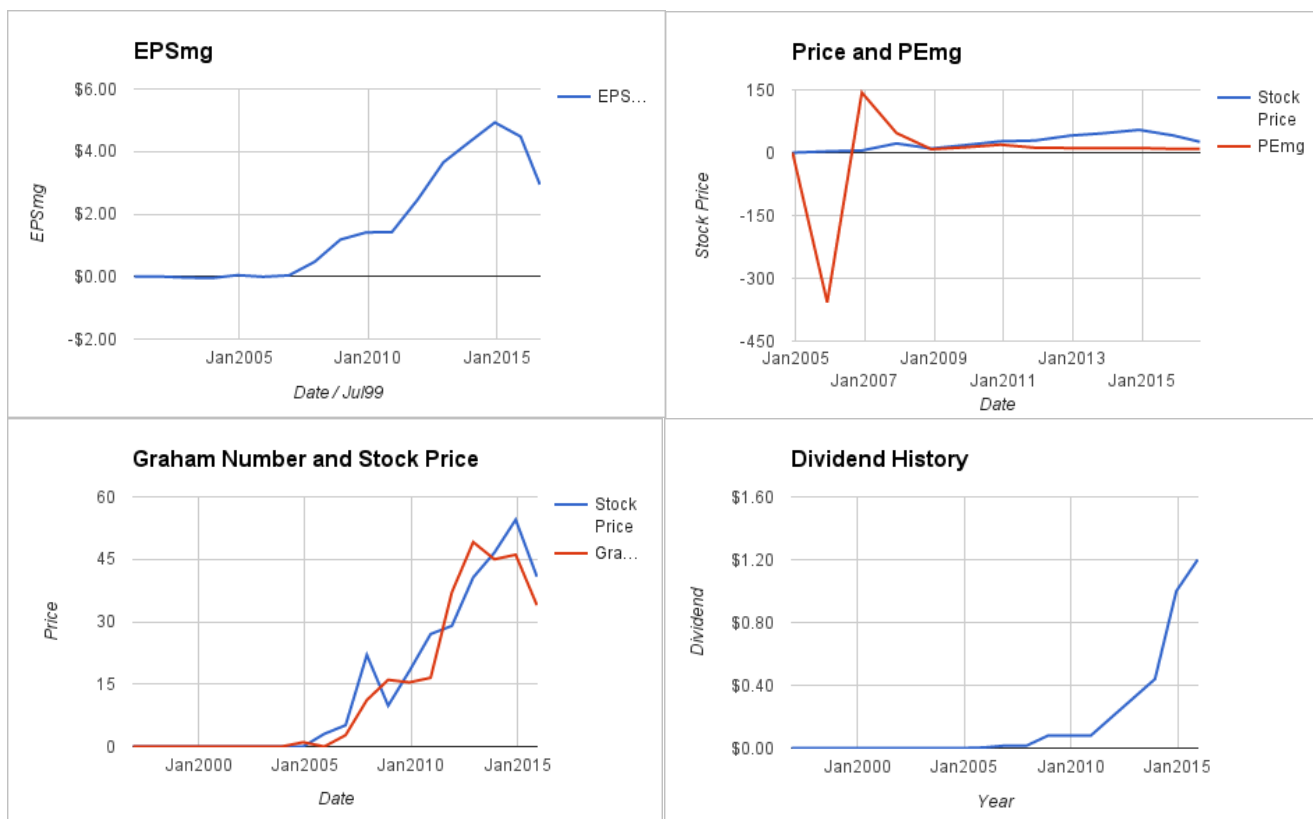
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$35.99
Graham Number	\$5.55
PEmg	8.84
Current Ratio	4.36
PB Ratio	1.52
Current Dividend	\$1.20
Dividend Yield	4.62%
Number of Consecutive Years of Dividend Growth	6

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.08	Next Fiscal Year Estimate	\$2.94
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	Balance Sheet Information 6/1/2016	
Dec1998	\$0.00	Total Current Assets	\$3,374,000,000
Dec1997	\$0.00	Total Current Liabilities	\$773,000,000
Dec1996	\$0.00	Long-Term Debt	\$5,540,000,000
		Total Assets	\$15,762,000,000
		Intangible Assets	\$2,363,000,000
		Total Liabilities	\$11,778,000,000
		Shares Outstanding (Diluted Average)	233,500,000





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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company

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[10 Companies Benjamin Graham Would Invest In Today – March 2016](#)
[10 Most Undervalued Companies for the Defensive Investor – February 2016](#)
[10 Low PE Stocks for the Defensive Investor – February 2016](#)
[10 Undervalued Companies for the Defensive Dividend Stock Investor – February 2016](#)

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[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](#)