

# ModernGraham Valuation

Company Name:

Ford Motor Company

Company Ticker F

Date of Analysis

8/4/2016



## 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	\$48,760,515,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.24	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-161.32%	Fail
5. Earnings Growth	PEmg < 20	7.91	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.55	Pass
7. Moderate Price to Assets			

*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	1.24	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.45	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>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.53
MG Growth Estimate	-2.32%
<b>MG Value</b>	<b>\$5.88</b>
MG Value based on 3% Growth	\$22.14
MG Value based on 0% Growth	\$12.98
Market Implied Growth Rate	-0.29%

### MG Opinion

Current Price	\$12.08
% of Intrinsic Value	205.49%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$24.46
Graham Number	\$16.85
PEmg	7.91
Current Ratio	1.24
PB Ratio	1.55
Current Dividend	\$0.60
Dividend Yield	4.97%
Number of Consecutive Years of Dividend Growth	5

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.64	Next Fiscal Year Estimate	\$1.53
Dec2015	\$1.84	Dec2015	\$1.70
Dec2014	\$0.80	Dec2014	\$1.79
Dec2013	\$1.76	Dec2013	\$2.23
Dec2012	\$1.42	Dec2012	\$1.81
Dec2011	\$4.94	Dec2011	\$1.31
Dec2010	\$1.66	Dec2010	-\$1.14
Dec2009	\$0.86	Dec2009	-\$2.54
Dec2008	-\$6.46	Dec2008	-\$3.61
Dec2007	-\$1.38	Dec2007	-\$1.79
Dec2006	-\$6.72	Dec2006	-\$1.61
Dec2005	\$1.05	Dec2005	\$0.59
Dec2004	\$1.73	Dec2004	\$0.29
Dec2003	\$0.27	Dec2003	-\$0.10
Dec2002	-\$0.54	Dec2002	\$0.73
Dec2001	-\$3.02	Dec2001	\$2.10
Dec2000	\$2.30	Dec2000	\$4.65
Dec1999	\$3.73	<b>Balance Sheet Information 6/1/2016</b>	
Dec1998	\$11.31	Total Current Assets	\$110,767,000,000
Dec1997	\$3.58	Total Current Liabilities	\$89,408,000,000
Dec1996	\$2.32	Long-Term Debt	\$95,053,000,000
		Total Assets	\$239,678,000,000
		Intangible Assets	\$0
		Total Liabilities	\$208,537,000,000
		Shares Outstanding (Diluted Average)	3,997,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author held a long position in F at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

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[BorgWarner Inc Valuation – February 2016 Update \\$BWA](#)  
[Genuine Parts Co Valuation – January 2016 Update \\$GPC](#)  
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