ModernGraham Valuation

Company Name:

Interpublic Group of Companies Inc



Company Ticker
Date of Analysis

8/6/2016

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.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$9,334,108,794 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.99 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Fail
5 Section On the	Increase of 33% in EPS in past 10 years using 3 year averages at	000 00% D

years using 3 year averages at beginning and end 262.89% Pass 6. Moderate PEmg Ratio PEmg < 20 21.10 Fail 7. Moderate Price to Assets PB Ratio < 2.5 OR PB*PEmg < 50 4.75 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	0.99 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-27.83 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

MG Opinion

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.10
MG Growth Estimate	7.47%
MG Value	\$25.67
MG Value based on 3% Growth	\$15.88
MG Value based on 0% Growth	\$9.31
Market Implied Growth Rate	6.30%
Current Price	\$23.11
% of Intrinsic Value	90.04%

Opinion Fairly Valued MG Grade C-

Stage 3: Information for Further Research

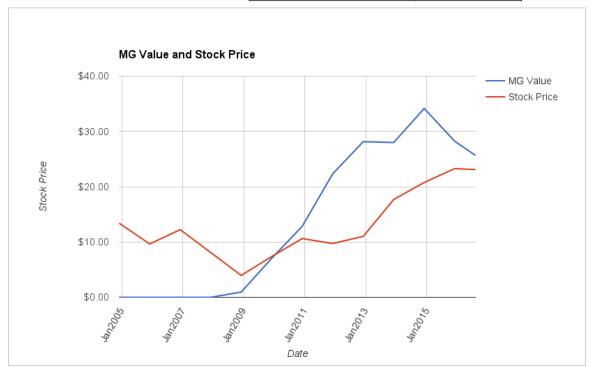
Net Current Asset Value (NCAV)	-\$7.35
Graham Number	\$12.09
PEmg	21.10
Current Ratio	0.99
PB Ratio	4.75
Current Dividend	\$0.54
Dividend Yield	2.34%
Number of Consecutive Years of Dividend Growth	4

Useful Links: ModernGraham tagged articles

Google Finance
Yahoo Finance
GuruFocus

Morningstar
MSN Money
Seeking Alpha
SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.31	Next Fiscal Year Estimate	\$1.10
Dec2015	\$1.09	Dec2015	\$0.98
Dec2014	\$1.12	Dec2014	\$0.89
Dec2013	\$0.61	Dec2013	\$0.73
Dec2012	\$0.94	Dec2012	\$0.73
Dec2011	\$0.99	Dec2011	\$0.58
Dec2010	\$0.47	Dec2010	\$0.33
Dec2009	\$0.19	Dec2009	\$0.18
Dec2008	\$0.52	Dec2008	\$0.02
Dec2007	\$0.26	Dec2007	-\$0.36
Dec2006	-\$0.19	Dec2006	-\$0.67
Dec2005	-\$0.68	Dec2005	-\$0.90
Dec2004	-\$1.34	Dec2004	-\$0.86
Dec2003	-\$1.17	Dec2003	-\$0.42
Dec2002	\$0.04	Dec2002	\$0.10
Dec2001	-\$1.37	Dec2001	\$0.28
Dec2000	\$1.15	Dec2000	\$1.08
Dec1999	\$1.11	Balance Sheet Information	6/1/2016
Dec1998	\$1.11	Total Current Assets	\$6,625,400,000
Dec1997	\$0.95	Total Current Liabilities	\$6,682,300,000
Dec1996	\$0.85	Long-Term Debt	\$1,583,600,000
		Total Assets	\$11,633,900,000
		Intangible Assets	\$3,662,200,000
		Total Liabilities	\$9,638,300,000
		Shares Outstanding (Diluted Average)	409,800,000





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 Interpublic Group of Companies Inc. Annual Valuation – 2015 \$IPG

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Interpublic Group of Companies (IPG) Annual Valuation – 2014

Other ModernGraham posts about related companies Omnicon Group Inc Valuation – July 2016 \$OMC Nielsen NV Analysis – July 2015 Update \$NLSN

Interpublic Group of Companies Inc. Annual Valuation – 2015 \$IPG

Nielsen N.V. Annual Valuation – 2014 \$NLSN

Interpublic Group of Companies (IPG) Annual Valuation – 2014