# **ModernGraham Valuation**

# **Company Name:**

Leggett & Platt, Inc.

Modern Graham

Company Ticker LEG
Date of Analysis

8/25/2016

# 

Defensive Investor; must pass 6 out of the following 7 tests.

1	. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$6,993,703,697 Pass
2	. Sufficiently Strong Financial Condition	Current Ratio > 2	1.97 Fail
3	. Earnings Stability	Positive EPS for 10 years prior	Fail
4	. Dividend Record	Dividend Payments for 10 years prior	Pass
		Increase of 33% in EPS in past 10 years using 3 year averages at	
5	. Earnings Growth	beginning and end	347.62% Pass
6	. Moderate PEmg Ratio	PEmg < 20	27.11 Fail
7	. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.89 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	1.97 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.53 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 Yes

# Stage 2: Determination of Intrinsic Value

EPSmg	\$1.93
MG Growth Estimate	8.94%
MG Value	\$50.91
MG Value based on 3% Growth	\$27.98
MG Value based on 0% Growth	\$16.40
Market Implied Growth Rate	9.31%
Current Price	\$52.31
% of Intrinsic Value	102.75%

**Fairly Valued** 

B+

# Stage 3: Information for Further Research

Opinion MG Grade

Net Current Asset Value (NCAV)	-\$4.20
Graham Number	\$21.85
PEmg	27.11
Current Ratio	1.97
PB Ratio	6.89
Current Dividend	\$1.30
Dividend Yield	2.49%
Number of Consecutive Years of Dividend Growth	20

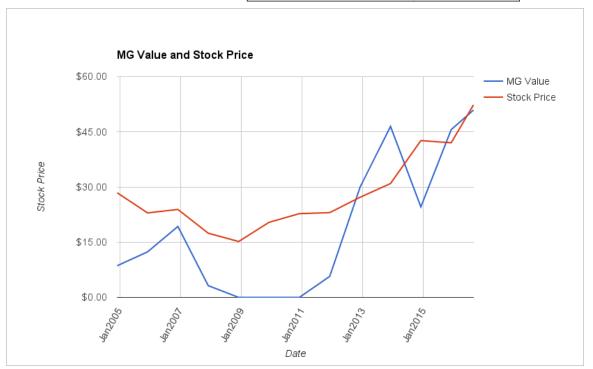
#### Useful Links:

ModernGraham tagged articles

Google Finance
Yahoo Finance
GuruFocus

Morningstar
MSN Money
Seeking Alpha
SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.68	Next Fiscal Year Estimate	\$1.93
Dec2015	\$2.28	Dec2015	\$1.51
Dec2014	\$0.68	Dec2014	\$1.14
Dec2013	\$1.34	Dec2013	\$1.31
Dec2012	\$1.70	Dec2012	\$1.21
Dec2011	\$1.04	Dec2011	\$0.87
Dec2010	\$1.15	Dec2010	\$0.79
Dec2009	\$0.70	Dec2009	\$0.69
Dec2008	\$0.62	Dec2008	\$0.78
Dec2007	-\$0.06	Dec2007	\$0.93
Dec2006	\$1.61	Dec2006	\$1.39
Dec2005	\$1.30	Dec2005	\$1.25
Dec2004	\$1.45	Dec2004	\$1.21
Dec2003	\$1.05	Dec2003	\$1.12
Dec2002	\$1.17	Dec2002	\$1.18
Dec2001	\$0.94	Dec2001	\$1.19
Dec2000	\$1.32	Dec2000	\$1.27
Dec1999	\$1.45	Balance Sheet Information	6/1/2016
Dec1998	\$1.24	Total Current Assets	\$1,380,100,000
Dec1997	\$1.08	Total Current Liabilities	\$699,000,000
Dec1996	\$0.77	Long-Term Debt	\$1,044,300,000
		Total Assets	\$3,031,800,000
		Intangible Assets	\$975,300,000
		Total Liabilities	\$1,968,500,000
		Shares Outstanding (Diluted Average)	140,100,000





#### 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 Leggett & Platt Inc Stock Valuation – February 2016 \$LEG

15 Companies in the Spotlight This Week – 12/27/14

Leggett & Platt Inc. Annual Valuation – 2014 \$LEG

17 Companies in the Spotlight This Week – 9/27/2014

Leggett & Platt Inc. Quarterly Valuation – September 2014 \$LEG

Other ModernGraham posts about related companies National Presto Industries Inc Valuation – July 2016 \$NPK

Leggett & Platt Inc Stock Valuation – February 2016 \$LEG

National Presto Industries Valuation – January 2016 Update \$NPK

Newell Rubbermaid Inc. Valuation – October 2015 Update \$NWL

National Presto Industries Valuation – January 2016 Update \$NPK

Newell Rubbermaid Inc. Valuation – October 2015 Update \$NWL

National Presto Industries Inc. Valuation – October 2015 Update \$NPK

Clorox Company Analysis – September 2015 Update \$CLX

National Presto Industries Analysis – July 2015 Update \$NPK

National Presto Industries Inc. Quarterly Valuation – March 2015 \$NPK