

ModernGraham Valuation

Company Name:

Wolverine World
Wide, Inc.



Company Ticker WWW

Date of Analysis

9/3/2016

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	\$2,259,891,278	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.08	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	50.41%	Pass
6. Moderate PEmg Ratio	PEmg < 20	20.34	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.25	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	3.08	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.14	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.15
MG Growth Estimate	2.95%
MG Value	\$16.50
MG Value based on 3% Growth	\$16.62
MG Value based on 0% Growth	\$9.74
Market Implied Growth Rate	5.92%

MG Opinion

Current Price	\$23.31
% of Intrinsic Value	141.25%
Opinion	Overvalued
MG Grade	C+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$4.56
Graham Number	\$16.02
PEmg	20.34
Current Ratio	3.08
PB Ratio	2.25
Current Dividend	\$0.24
Dividend Yield	1.03%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.14	Next Fiscal Year Estimate	\$1.15
Dec2015	\$1.20	Dec2015	\$1.14
Dec2014	\$1.30	Dec2014	\$1.10
Dec2013	\$0.99	Dec2013	\$0.98
Dec2012	\$0.81	Dec2012	\$0.96
Dec2011	\$1.24	Dec2011	\$1.00
Dec2010	\$1.06	Dec2010	\$0.87
Dec2009	\$0.62	Dec2009	\$0.77
Dec2008	\$0.95	Dec2008	\$0.81
Dec2007	\$0.85	Dec2007	\$0.71
Dec2006	\$0.74	Dec2006	\$0.61
Dec2005	\$0.64	Dec2005	\$0.52
Dec2004	\$0.55	Dec2004	\$0.43
Dec2003	\$0.43	Dec2003	\$0.34
Dec2002	\$0.38	Dec2002	\$0.30
Dec2001	\$0.36	Dec2001	\$0.26
Dec2000	\$0.09	Dec2000	\$0.22
Dec1999	\$0.26	Balance Sheet Information 6/1/2016	
Dec1998	\$0.32	Total Current Assets	\$1,020,500,000
Dec1997	\$0.32	Total Current Liabilities	\$331,000,000
Dec1996	\$0.25	Long-Term Debt	\$788,300,000
		Total Assets	\$2,453,500,000
		Intangible Assets	\$1,207,800,000
		Total Liabilities	\$1,458,700,000
		Shares Outstanding (Diluted Average)	96,100,000





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.

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