ModernGraham Valuation

Company Name:

Inc.

Franklin Resources,



BEN

Company Ticker Date of Analysis

2/24/2017

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	\$24,175,566,255	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	10.84	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	57.23%	Pass
6.	Moderate PEmg Ratio	PEmg < 20	14.02	Pass
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.01	Pass
Enterprising Investor; mus	st pass 4 out of the following 5 tests, or be s	uitable for the Defensive Investor.		
1.	Sufficiently Strong Financial Condition	Current Ratio > 1.5	10.84	Pass
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.18	Pass
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
		Score		

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

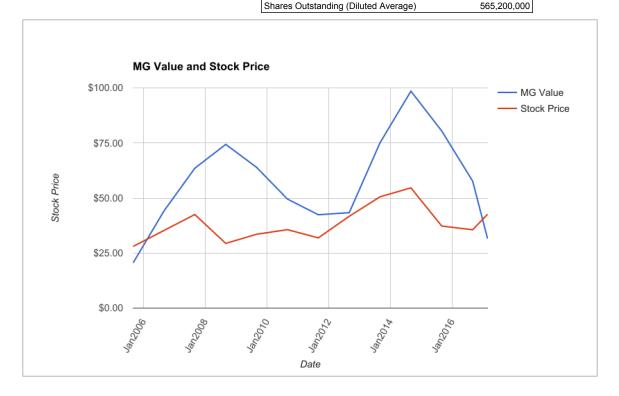
	EPSmg		\$3.04
	MG Growth Estimate		0.94%
	MG Value		\$31.56
	MG Value based on 3% Growth		\$44.06
	MG Value based on 0% Growth		\$25.83
	Market Implied Growth Rate		2.76%
MG Opinion			
	Current Price		\$42.60
	% of Intrinsic Value		134.97%
	Opinion	Overvalued	
	MG Grade	В	

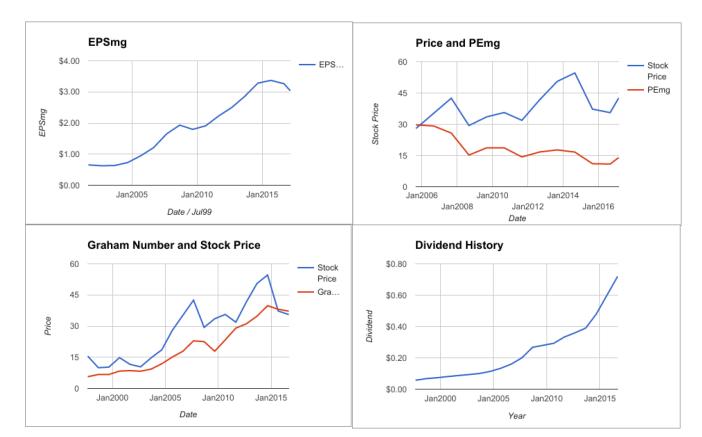
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$11.77
Graham Number	\$35.12
PEmg	14.02
Current Ratio	10.84
PB Ratio	2.01
Current Dividend	\$0.74
Dividend Yield	1.74%
Number of Consecutive Years of Dividend Growth	20

Useful Links:	ModernGraham tagged articles	Morningstar
	Google Finance	MSN Money
	Yahoo Finance	Seeking Alpha
	GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$2.60	Next Fiscal Year Estimate	\$3.04
Sep2016	\$2.94	Sep2016	\$3.26
Sep2015	\$3.29	Sep2015	\$3.37
Sep2014	\$3.79	Sep2014	\$3.28
Sep2013	\$3.37	Sep2013	\$2.86
Sep2012	\$2.98	Sep2012	\$2.50
Sep2011	\$2.87	Sep2011	\$2.23
Sep2010	\$2.11	Sep2010	\$1.91
Sep2009	\$1.28	Sep2009	\$1.80
Sep2008	\$2.22	Sep2008	\$1.93
Sep2007	\$2.34	Sep2007	\$1.65
Sep2006	\$1.62	Sep2006	\$1.21
Sep2005	\$1.35	Sep2005	\$0.94
Sep2004	\$0.92	Sep2004	\$0.73
Sep2003	\$0.66	Sep2003	\$0.63
Sep2002	\$0.55	Sep2002	\$0.63
Sep2001	\$0.64	Sep2001	\$0.65
Sep2000	\$0.76	Balance Sheet Information	12/1/2016
Sep1999	\$0.56	Total Current Assets	\$10,897,600,000
Sep1998	\$0.66	Total Current Liabilities	\$1,005,300,000
Sep1997	\$0.57	Long-Term Debt	\$1,734,500,000
		Total Assets	\$16,210,300,000
		Intangible Assets	\$2,200,400,000
		Total Liabilities	\$4,245,500,000
		Shares Outstanding (Diluted Average)	565.200.000





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	10 Low PE Stock Picks for the Defensive Investor – August 2016
	Dividend Growth Stocks for Intelligent Investors – July 2016
	10 Low PE Stocks for the Defensive Investor – July 2016
	Dividend Growth Stocks for Intelligent Investors – June 2016
	10 Low PE Stocks for the Defensive Investor – June 2016
Other ModernGraham posts about related companies	S&P Global Inc Valuation – Initial Coverage \$SPGI
	CME Group Inc Valuation – February 2017 \$CME
	Equifax Inc Valuation – February 2017 \$EFX
	Janus Capital Group Inc Valuation – Initial Coverage \$JNS
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