

ModernGraham Valuation

Company Name:

Company Ticker KFY

Date of Analysis

2/8/2017

Korn/Ferry
International



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	\$1,587,964,354	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.96	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	194.81%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	21.58	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.52	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	1.96	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.70	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.30
MG Growth Estimate	9.49%
MG Value	\$35.65
MG Value based on 3% Growth	\$18.81
MG Value based on 0% Growth	\$11.03
Market Implied Growth Rate	6.54%

MG Opinion

Current Price	\$27.99
% of Intrinsic Value	78.52%
Opinion	Fairly Valued
MG Grade	C+

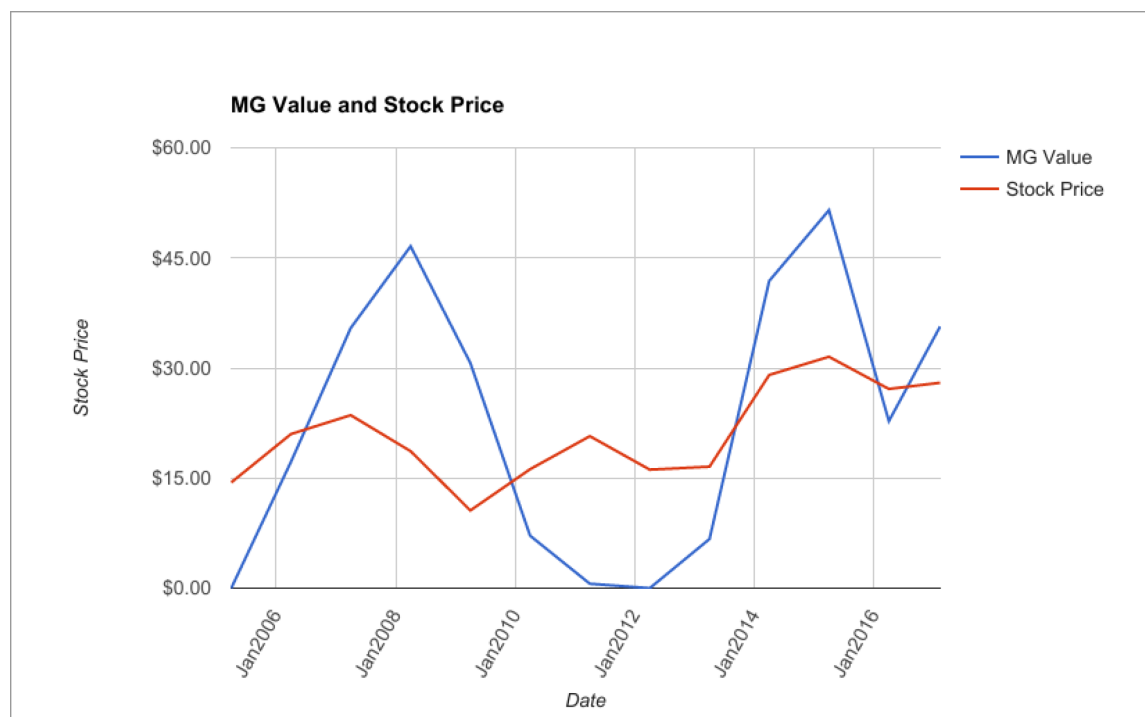
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$3.23
Graham Number	\$25.94
PEmg	21.58
Current Ratio	1.96
PB Ratio	1.52
Current Dividend	\$0.40
Dividend Yield	1.43%
Number of Consecutive Years of Dividend Growth	3

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	\$1.64	Next Fiscal Year Estimate	\$1.30
Apr2016	\$0.58	Apr2016	\$1.13
Apr2015	\$1.76	Apr2015	\$1.36
Apr2014	\$1.48	Apr2014	\$1.09
Apr2013	\$0.70	Apr2013	\$0.79
Apr2012	\$1.15	Apr2012	\$0.81
Apr2011	\$1.27	Apr2011	\$0.69
Apr2010	\$0.12	Apr2010	\$0.52
Apr2009	-\$0.23	Apr2009	\$0.80
Apr2008	\$1.46	Apr2008	\$1.21
Apr2007	\$1.24	Apr2007	\$0.92
Apr2006	\$1.32	Apr2006	\$0.45
Apr2005	\$0.90	Apr2005	-\$0.09
Apr2004	\$0.13	Apr2004	-\$0.49
Apr2003	-\$0.63	Apr2003	-\$0.80
Apr2002	-\$2.62	Apr2002	-\$0.79
Apr2001	\$0.81	Apr2001	\$0.05
Apr2000	\$0.82	Balance Sheet Information 10/1/2016	
Apr1999	-\$2.37	Total Current Assets	\$715,356,000
Apr1998	\$0.23	Total Current Liabilities	\$365,436,000
Dec1997	\$0.00	Long-Term Debt	\$246,099,000
		Total Assets	\$1,950,073,000
		Intangible Assets	\$811,327,000
		Total Liabilities	\$899,520,000
		Shares Outstanding (Diluted Average)	56,983,000





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

#N/A

Other
ModernGraham
posts about related
companies

[Capella Education Company Valuation – Initial Coverage \\$CPLA](#)
[Kelly Services Inc Valuation – Initial Coverage \\$KELYA](#)
[Alliance Data Systems Corp Valuation – February 2017 \\$ADS](#)
[John Wiley & Sons Inc Valuation – Initial Coverage \\$JW.A](#)
[Dun & Bradstreet Corp Valuation – January 2017 \\$DNB](#)
[Apollo Education Group Inc Valuation – January 2017 \\$APOL](#)
[Accenture PLC Valuation – December 2016 \\$ACN](#)
[Automatic Data Processing Valuation – November 2016 \\$ADP](#)
[United Rentals Inc Valuation – August 2016 \\$URI](#)
[Robert Half International Inc Valuation – August 2016 \\$RHI](#)