

ModernGraham Valuation

Company Name:

Leggett & Platt, Inc.

Company Ticker LEG

Date of Analysis

3/26/2017



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	\$6,663,320,747	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.88	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	209.31%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	22.37	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.42	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	1.88	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.55	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
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.24
MG Growth Estimate	10.67%
MG Value	\$66.81
MG Value based on 3% Growth	\$32.46
MG Value based on 0% Growth	\$19.03
Market Implied Growth Rate	6.94%

MG Opinion

Current Price	\$50.09
% of Intrinsic Value	74.97%
Opinion	Undervalued
MG Grade	A-

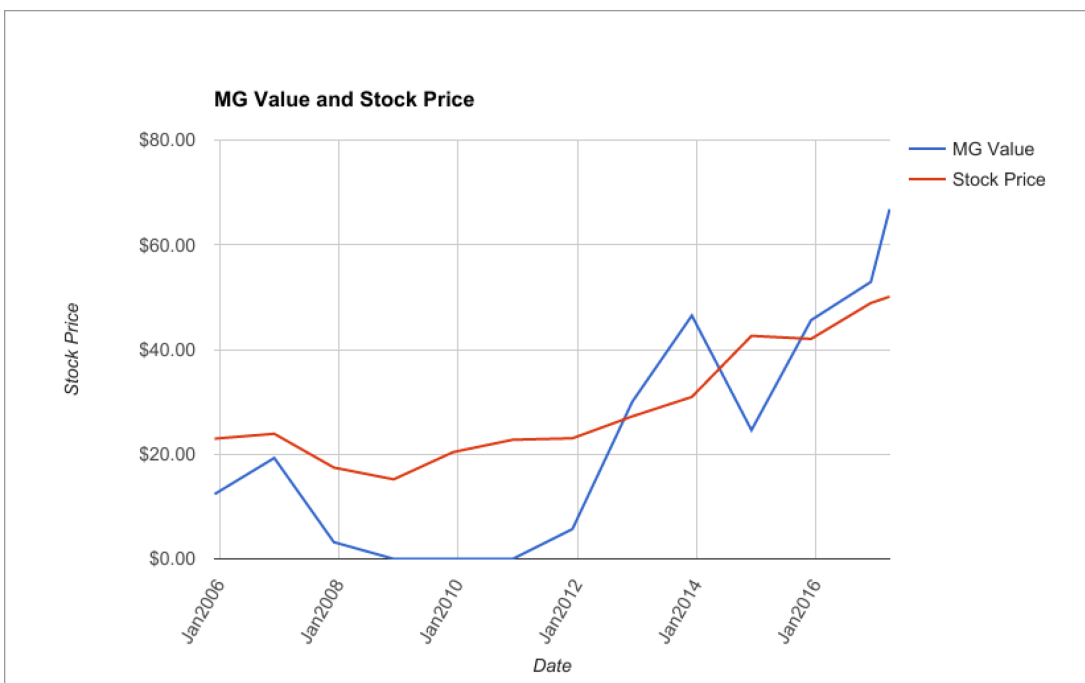
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$4.05
Graham Number	\$21.87
PEmg	22.37
Current Ratio	1.88
PB Ratio	6.42
Current Dividend	\$1.34
Dividend Yield	2.68%
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	\$2.24
Dec2016	\$2.76	Dec2016	\$1.96
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	Balance Sheet Information	12/1/2016
Dec1999	\$1.45	Total Current Assets	\$1,324,900,000
Dec1998	\$1.24	Total Current Liabilities	\$706,600,000
Dec1997	\$1.08	Long-Term Debt	\$956,200,000
		Total Assets	\$2,984,100,000
		Intangible Assets	\$956,200,000
		Total Liabilities	\$1,892,500,000
		Shares Outstanding (Diluted Average)	140,000,000





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

- [Newell Brands Inc Valuation – February 2017 \\$NWL](#)
- [Clorox Company Valuation – January 2017 \\$CLX](#)
- [Select Comfort Corp Valuation – Initial Coverage \\$SCSS](#)
- [Leggett & Platt Inc Valuation – August 2016 \\$LEG](#)
- [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 Inc. Valuation – October 2015 Update \\$NPK](#)
- [Clorox Company Analysis – September 2015 Update \\$CLX](#)