

ModernGraham Valuation

Company Name:

Company Ticker DAR
Date of Analysis

Darling Ingredients
Inc

6/28/2017



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	\$2,568,747,478	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.05	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	-1.18%	Fail
5. Earnings Growth	PEmg < 20	27.96	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.32	Pass
7. Moderate Price to Assets			

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	2.05	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.63	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.57
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$8.23
MG Value based on 0% Growth	\$4.82
Market Implied Growth Rate	9.73%

MG Opinion

Current Price	\$15.86
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$10.81
Graham Number	\$12.51
PEmg	27.96
Current Ratio	2.05
PB Ratio	1.32
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.58	Next Fiscal Year Estimate	\$0.57
Dec2016	\$0.62	Dec2016	\$0.61
Dec2015	\$0.48	Dec2015	\$0.69
Dec2014	\$0.39	Dec2014	\$0.83
Dec2013	\$0.91	Dec2013	\$1.00
Dec2012	\$1.11	Dec2012	\$0.98
Dec2011	\$1.47	Dec2011	\$0.86
Dec2010	\$0.53	Dec2010	\$0.52
Dec2009	\$0.51	Dec2009	\$0.48
Dec2008	\$0.66	Dec2008	\$0.41
Dec2007	\$0.56	Dec2007	\$0.28
Dec2006	\$0.07	Dec2006	\$0.15
Dec2005	\$0.12	Dec2005	\$0.13
Dec2004	\$0.22	Dec2004	\$0.00
Dec2003	\$0.29	Dec2003	-\$0.24
Dec2002	\$0.18	Dec2002	-\$0.66
Dec2001	-\$0.76	Dec2001	-\$1.04
Dec2000	-\$1.23	Balance Sheet Information 3/1/2017	
Dec1999	-\$1.03	Total Current Assets	\$927,301,000
Dec1998	-\$2.06	Total Current Liabilities	\$451,794,000
Dec1997	\$0.33	Long-Term Debt	\$1,727,496,000
		Total Assets	\$4,719,661,000
		Intangible Assets	\$1,931,091,000
		Total Liabilities	\$2,720,299,000
		Shares Outstanding (Diluted Average)	165,864,000





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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#N/A

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