

# ModernGraham Valuation

Big 5 Sporting Goods Corporation



Company Name:

Company Ticker BGFV

Date of Analysis

8/22/2017

## 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	\$165,137,757	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.99	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	-2.70%	Fail
5. Earnings Growth	PEmg < 20	8.68	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.80	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	1.99	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.27	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 Score		Fail

Suitability

Defensive	No
Enterprising	Yes

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.87
MG Growth Estimate	-0.61%
<b>MG Value</b>	<b>\$6.33</b>
MG Value based on 3% Growth	\$12.61
MG Value based on 0% Growth	\$7.39
Market Implied Growth Rate	0.09%

MG Opinion

Current Price	\$7.55
% of Intrinsic Value	119.20%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>B</b>

## Stage 3: Information for Further Research

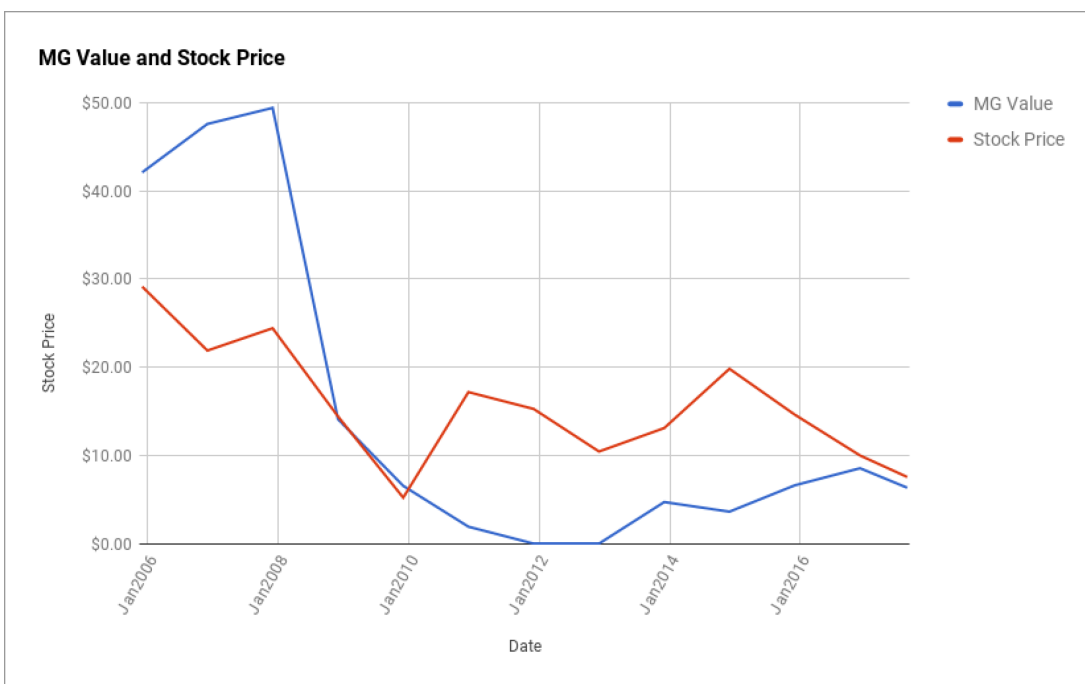
Net Current Asset Value (NCAV)	\$4.60
Graham Number	\$14.88
PEmg	8.68
Current Ratio	1.99
PB Ratio	0.80
Current Dividend	\$0.53
Dividend Yield	6.95%
Number of Consecutive Years of Dividend Growth	1

Useful Links:

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[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)

[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$1.05		\$0.87
Dec2016	\$0.77	Dec2016	\$0.79
Dec2015	\$0.70	Dec2015	\$0.79
Dec2014	\$0.67	Dec2014	\$0.83
Dec2013	\$1.27	Dec2013	\$0.91
Dec2012	\$0.69	Dec2012	\$0.74
Dec2011	\$0.53	Dec2011	\$0.80
Dec2010	\$0.94	Dec2010	\$0.97
Dec2009	\$1.01	Dec2009	\$1.02
Dec2008	\$0.64	Dec2008	\$1.08
Dec2007	\$1.25	Dec2007	\$1.28
Dec2006	\$1.35	Dec2006	\$1.24
Dec2005	\$1.21	Dec2005	\$1.09
Dec2004	\$1.47	Dec2004	\$0.93
Dec2003	\$1.03	Dec2003	\$0.59
Dec2002	\$0.48	Dec2002	\$0.32
Dec2001	\$0.42	Dec2001	\$0.20
Dec2000	\$0.24	<b>Balance Sheet Information</b>	
Dec1999	\$0.00	<b>6/1/2017</b>	
Dec1998	\$0.00	Total Current Assets	\$359,000,000
Dec1997	\$0.00	Total Current Liabilities	\$179,978,000
		Long-Term Debt	\$47,920,000
		Total Assets	\$465,167,000
		Intangible Assets	\$4,433,000
		Total Liabilities	\$258,385,000
		Shares Outstanding (Diluted Average)	21,871,000





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

[Fossil Group Inc Valuation – March 2017 \\$FOSL](#)  
[Lumber Liquidators Holdings Inc Valuation – Initial Coverage \\$LL](#)  
[CVS Health Corp Valuation – March 2017 \\$CVS](#)  
[Target Corp Valuation – March 2017 \\$TGT](#)  
[Foot Locker Inc Valuation – Initial Coverage \\$FL](#)  
[Ulta Beauty Inc Valuation – Initial Coverage \\$ULTA](#)  
[Kohl's Corporation Valuation – March 2017 \\$KSS](#)  
[Stamps.com Inc Valuation – Initial Coverage \\$STMP](#)  
[Kirkland's Inc Valuation – Initial Coverage \\$KIRK](#)  
[Dollar Tree Inc Valuation – February 2017 \\$DLTR](#)