ModernGraham Valuation

Company Name:

Briggs & Stratton Corporation



Company Ticker BGG

Date of Analysis 9/6/2017

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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$901,386,001 Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.09 Pass
Earnings Stability	Positive EPS for 10 years prior	Fail
Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	79.46% Pass
Moderate PEmg Ratio	PEmg < 20	18.71 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.57 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	2.09 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.62 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
	Coore	

Score

Suitability

Defensive No Enterprising Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.11
MG Growth Estimate	15.00%
MG Value	\$42.81
MG Value based on 3% Growth	\$16.12
MG Value based on 0% Growth	\$9.45
Market Implied Growth Rate	5.10%

MG Opinion

Oninion	Undorvalued	
% of Intrinsic Value		48.58%
Current Price		\$20.80

MG Grade B

Stage 3: Information for Further Research

-\$4.79
\$20.39
18.71
2.09
1.57
\$0.56
2.67%
3

Morningstar

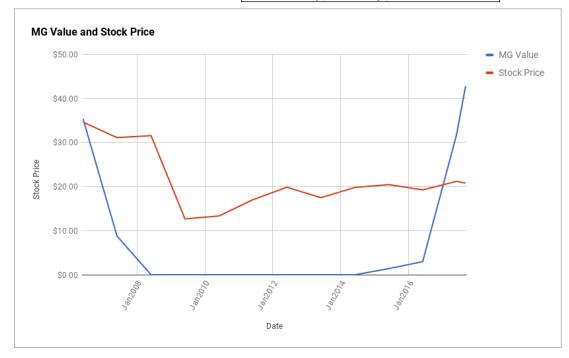
Useful Links: ModernGraham tagged articles

 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.41	Next Fiscal Year Estimate	\$1.11
Jun2017	\$1.31	Jun2017	\$0.83
Jun2016	\$0.60	Jun2016	\$0.53
Jun2015	\$1.00	Jun2015	\$0.45
Jun2014	\$0.59	Jun2014	\$0.23
Jun2013	-\$0.73	Jun2013	\$0.14
Jun2012	\$0.57	Jun2012	\$0.58
Jun2011	\$0.48	Jun2011	\$0.55
Jun2010	\$0.73	Jun2010	\$0.66
Jun2009	\$0.64	Jun2009	\$0.78
Jun2008	\$0.46	Jun2008	\$1.07
Jun2007	\$0.13	Jun2007	\$1.51
Jun2006	\$1.98	Jun2006	\$2.13
Jun2005	\$2.32	Jun2005	\$2.08
Jun2004	\$2.72	Jun2004	\$1.95
Jun2003	\$1.74	Jun2003	\$1.66
Jun2002	\$1.18	Jun2002	\$1.68
Jun2001	\$1.11	Balance Sheet Information	6/1/2017
Jun2000	\$2.99	Total Current Assets	\$689,441,000
Jun1999	\$2.26	Total Current Liabilities	\$330,378,000
Jun1998	\$1.43	Long-Term Debt	\$221,793,000
	•	Total Assets	\$1,450,979,000
		Intangible Assets	\$271,317,000
		Total Liabilities	\$891,645,000
		Shares Outstanding (Diluted Average)	42,239,000





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 Albany International Corp Valuation – Initial Coverage \$AIN

Terex Corporation Valuation – Initial Coverage \$TEX

 $\underline{\hbox{Donaldson Co Inc Valuation} - \hbox{Initial Coverage \$DCI}}$

Stanley Black & Decker Inc Valuation - April 2017 \$SWK

Lindsay Corp Valuation - Initial Coverage \$LNN

Lennox International Inc Valuation – Initial Coverage \$LII

Standex Int'l Corp Valuation - Initial Coverage \$SXI

Pentair PLC Valuation - March 2017 \$PNR

<u>Lincoln Electric Holdings Inc Valuation – Initial Coverage \$LECO</u>

Lydall Inc Valuation - Initial Coverage \$LDL