

# ModernGraham Valuation

Briggs & Stratton  
Corporation



Company Name:

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.*

|  |  |               |      |
|--|--|---------------|------|
| 1. Adequate Size of the Enterprise         | Market Cap > \$2Bil  | \$901,386,001 | Fail |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2  | 2.09          | Pass |
| 3. Earnings Stability                      | Positive EPS for 10 years prior  |               | Fail |
| 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 | 79.46%        | Pass |
| 5. Earnings Growth                         | PEmg < 20  | 18.71         | Pass |
| 6. Moderate PEmg Ratio                     | PB Ratio < 2.5 OR PB*PEmg < 50   | 1.57          | 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                  | 2.09 | 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 Score |      | Pass |

Suitability

|                     |            |
|---------------------|------------|
| <b>Defensive</b>    | <b>No</b>  |
| <b>Enterprising</b> | <b>Yes</b> |

## Stage 2: Determination of Intrinsic Value

|                             |                |
|-----------------------------|----------------|
| EPSmg                       | \$1.11         |
| MG Growth Estimate          | 15.00%         |
| <b>MG Value</b>             | <b>\$42.81</b> |
| MG Value based on 3% Growth | \$16.12        |
| MG Value based on 0% Growth | \$9.45         |
| Market Implied Growth Rate  | 5.10%          |

MG Opinion

|                      |                    |
|----------------------|--------------------|
| Current Price        | \$20.80            |
| % of Intrinsic Value | 48.58%             |
| <b>Opinion</b>       | <b>Undervalued</b> |
| <b>MG Grade</b>      | <b>B</b>           |

## Stage 3: Information for Further Research

|  |         |
|--|---------|
| Net Current Asset Value (NCAV)                 | -\$4.79 |
| Graham Number                                  | \$20.39 |
| PEmg   | 18.71   |
| Current Ratio                                  | 2.09    |
| PB Ratio                                       | 1.57    |
| Current Dividend                               | \$0.56  |
| Dividend Yield                                 | 2.67%   |
| Number of Consecutive Years of Dividend Growth | 3       |

Useful Links:

[ModernGraham tagged articles](#)  
[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)

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

| EPS History               |         | EPSmg History                             |                 |
|---------------------------|---------|---|-----------------|
| Next Fiscal Year Estimate |         | Next Fiscal Year Estimate                 |                 |
| Jun2017                   | \$1.41  | Jun2017                                   | \$1.11          |
| Jun2016                   | \$1.31  | Jun2016                                   | \$0.83          |
| Jun2015                   | \$0.60  | Jun2015                                   | \$0.53          |
| Jun2014                   | \$1.00  | Jun2014                                   | \$0.45          |
| Jun2013                   | \$0.59  | Jun2013                                   | \$0.23          |
| Jun2012                   | -\$0.73 | Jun2012                                   | \$0.14          |
| Jun2011                   | \$0.57  | Jun2012                                   | \$0.58          |
| Jun2010                   | \$0.48  | Jun2011                                   | \$0.55          |
| Jun2009                   | \$0.73  | Jun2010                                   | \$0.66          |
| Jun2008                   | \$0.64  | Jun2009                                   | \$0.78          |
| Jun2007                   | \$0.46  | Jun2008                                   | \$1.07          |
| Jun2006                   | \$0.13  | Jun2007                                   | \$1.51          |
| Jun2005                   | \$1.98  | Jun2006                                   | \$2.13          |
| Jun2004                   | \$2.32  | Jun2005                                   | \$2.08          |
| Jun2003                   | \$2.72  | Jun2004                                   | \$1.95          |
| Jun2002                   | \$1.74  | Jun2003                                   | \$1.66          |
| Jun2001                   | \$1.18  | Jun2002                                   | \$1.68          |
| Jun2000                   | \$1.11  | <b>Balance Sheet Information 6/1/2017</b> |                 |
| Jun1999                   | \$2.99  | Total Current Assets                      | \$689,441,000   |
| Jun1998                   | \$2.26  | Total Current Liabilities                 | \$330,378,000   |
|                           | \$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](#)  
[Donaldson Co Inc Valuation – 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](#)  
[Lincoln Electric Holdings Inc Valuation – Initial Coverage \\$LECO](#)  
[Lydall Inc Valuation – Initial Coverage \\$LDL](#)