

ModernGraham Valuation

Company Name:

Dean Foods Co

Company Ticker

DF

Date of Analysis

9/7/2017



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	\$1,018,249,920	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.21	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-69.32%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	10.21	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.68	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	1.21	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.47	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.10
MG Growth Estimate	15.00%
MG Value	\$42.25
MG Value based on 3% Growth	\$15.91
MG Value based on 0% Growth	\$9.33
Market Implied Growth Rate	0.85%

MG Opinion

Current Price	\$11.20
% of Intrinsic Value	26.51%
Opinion	Undervalued
MG Grade	C

Stage 3: Information for Further Research

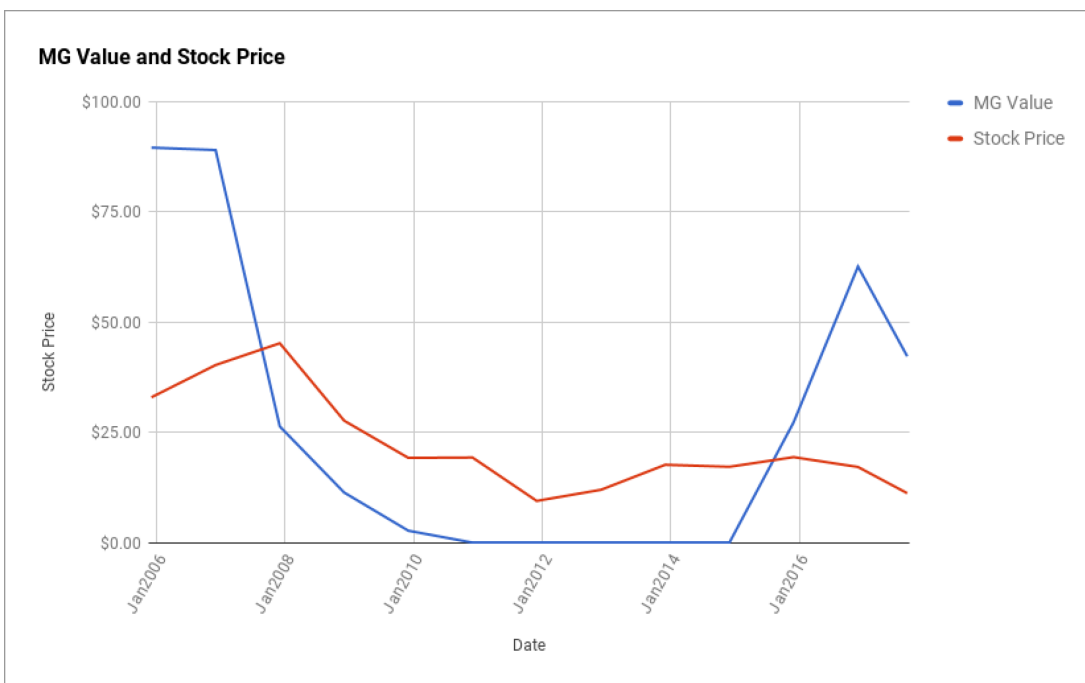
Net Current Asset Value (NCAV)	-\$10.05
Graham Number	\$10.08
PEmg	10.21
Current Ratio	1.21
PB Ratio	1.68
Current Dividend	\$0.36
Dividend Yield	3.21%
Number of Consecutive Years of Dividend Growth	1

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2016	\$0.67	Dec2016	\$1.10
Dec2015	\$1.31	Dec2015	\$1.63
Dec2014	-\$0.09	Dec2014	\$0.71
Dec2013	-\$0.22	Dec2013	\$0.33
Dec2012	\$8.58	Dec2012	\$0.19
Dec2011	\$1.70	Dec2011	-\$3.29
Dec2010	-\$17.18	Dec2010	-\$4.46
Dec2009	\$1.00	Dec2009	\$2.02
Dec2008	\$2.76	Dec2008	\$2.64
Dec2007	\$2.40	Dec2007	\$2.70
Dec2006	\$1.92	Dec2006	\$3.03
Dec2005	\$3.22	Dec2005	\$3.52
Dec2004	\$4.02	Dec2004	\$3.52
Dec2003	\$3.16	Dec2003	\$3.15
Dec2002	\$4.54	Dec2002	\$3.01
Dec2001	\$2.02	Dec2001	\$2.25
Dec2000	\$2.38	Dec2000	\$2.25
Dec1999	\$2.54	Balance Sheet Information 6/1/2017	
Dec1998	\$2.09	Total Current Assets	\$968,083,000
Dec1997	\$2.39	Total Current Liabilities	\$797,471,000
Dec1996	\$0.61	Long-Term Debt	\$762,125,000
		Total Assets	\$2,494,248,000
		Intangible Assets	\$338,435,000
		Total Liabilities	\$1,886,037,000
		Shares Outstanding (Diluted Average)	91,369,000





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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ModernGraham
posts about the
company

#N/A

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[Darling Ingredients Inc Valuation – Initial Coverage \\$DAR](#)
[Mondelez International Inc Valuation – March 2017 \\$MDLZ](#)
[Calavo Growers Inc Valuation – Initial Coverage \\$CVGW](#)
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