

# ModernGraham Valuation

International Flavors  
& Fragrances Inc



Company Name:

Company Ticker IFF

Date of Analysis

3/15/2018

## 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	\$10,980,195,849	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.47	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	66.82%	Pass
6. Moderate PEmg Ratio	PEmg < 20	27.28	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.56	Fail

*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	2.47	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.45	Fail
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	\$5.10
MG Growth Estimate	3.65%
<b>MG Value</b>	<b>\$80.49</b>
MG Value based on 3% Growth	\$73.91
MG Value based on 0% Growth	\$43.33
Market Implied Growth Rate	9.39%

MG Opinion

Current Price	\$139.03
% of Intrinsic Value	172.72%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$12.82
Graham Number	\$54.58
PEmg	27.28
Current Ratio	2.47
PB Ratio	6.56
Current Dividend	\$2.66
Dividend Yield	1.91%
Number of Consecutive Years of Dividend Growth	15

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[GuruFocus](#)

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

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.21	Next Fiscal Year Estimate	\$5.10
Dec2017	\$3.72	Dec2017	\$4.58
Dec2016	\$5.05	Dec2016	\$4.85
Dec2015	\$5.16	Dec2015	\$4.56
Dec2014	\$5.06	Dec2014	\$4.10
Dec2013	\$4.29	Dec2013	\$3.50
Dec2012	\$3.09	Dec2012	\$3.07
Dec2011	\$3.26	Dec2011	\$3.02
Dec2010	\$3.26	Dec2010	\$2.86
Dec2009	\$2.46	Dec2009	\$2.61
Dec2008	\$2.86	Dec2008	\$2.61
Dec2007	\$2.82	Dec2007	\$2.40
Dec2006	\$2.48	Dec2006	\$2.15
Dec2005	\$2.04	Dec2005	\$1.92
Dec2004	\$2.05	Dec2004	\$1.78
Dec2003	\$1.83	Dec2003	\$1.61
Dec2002	\$1.84	Dec2002	\$1.51
Dec2001	\$1.20	<b>Balance Sheet Information 12/1/2017</b>	
Dec2000	\$1.22	Total Current Assets	\$1,896,544,000
Dec1999	\$1.53	Total Current Liabilities	\$768,768,000
Dec1998	\$1.90	Long-Term Debt	\$1,632,186,000
		Total Assets	\$4,598,926,000
		Intangible Assets	\$1,572,075,000
		Total Liabilities	\$2,914,724,000
		Shares Outstanding (Diluted Average)	79,421,000





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**

- [International Flavors & Fragrances Inc Valuation – June 2016 \\$IFF](#)
- [13 Best Stocks For Value Investors This Week – 12/12/15](#)
- [International Flavors & Fragrances Valuation – December 2015 Update \\$IFF](#)
- [19 Best Stocks For Value Investors This Week – 8/29/15](#)
- [International Flavors & Fragrances Inc. Analysis – August 2015 Update \\$IFF](#)

**Other ModernGraham posts about related companies**

- [Estee Lauder Companies Inc Valuation – February 2018 \\$EL](#)
- [Proctor & Gamble Co Valuation – February 2018 \\$PG](#)
- [Colgate-Palmolive Co. Valuation – April 2017 \\$CL](#)
- [Coty Inc Valuation – Initial Coverage \\$COTY](#)
- [Signet Jewelers Ltd Valuation – Initial Coverage \\$SIG](#)
- [Inter Parfums Inc Valuation – Initial Coverage \\$IPAR](#)
- [Church & Dwight Co Inc Valuation – Initial Coverage \\$CHD](#)
- [Service Corporation Intl Valuation – Initial Coverage \\$SCI](#)
- [Avon Products Inc Valuation – July 2016 \\$AVP](#)
- [Proctor & Gamble Co Valuation – July 2016 \\$PG](#)