

ModernGraham Valuation

Innophos Holdings,
Inc.



Company Name:

Company Ticker IPHS

Date of Analysis

3/8/2018

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	\$831,935,072	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.64	Pass
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		
5. Earnings Growth		-27.52%	Fail
6. Moderate PEmg Ratio	PEmg < 20	20.56	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.53	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	2.64	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.66	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		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.07
MG Growth Estimate	-4.15%
MG Value	\$0.41
MG Value based on 3% Growth	\$30.04
MG Value based on 0% Growth	\$17.61
Market Implied Growth Rate	6.03%

MG Opinion

Current Price	\$42.60
% of Intrinsic Value	10338.87%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$7.63
Graham Number	\$32.51
PEmg	20.56
Current Ratio	2.64
PB Ratio	2.53
Current Dividend	\$1.92
Dividend Yield	4.51%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.75	Next Fiscal Year Estimate	\$2.07
Dec2017	\$1.13	Dec2017	\$1.82
Dec2016	\$2.44	Dec2016	\$2.25
Dec2015	\$1.29	Dec2015	\$2.34
Dec2014	\$2.91	Dec2014	\$2.86
Dec2013	\$2.21	Dec2013	\$2.84
Dec2012	\$3.30	Dec2012	\$3.54
Dec2011	\$3.83	Dec2011	\$3.64
Dec2010	\$2.02	Dec2010	\$3.24
Dec2009	\$2.87	Dec2009	\$3.25
Dec2008	\$9.54	Dec2008	\$2.78
Dec2007	-\$0.27	Dec2007	-\$0.55
Dec2006	-\$1.01	Dec2006	-\$0.59
Dec2005	-\$0.95	Dec2005	-\$0.32
Dec2004	-\$0.02	Dec2004	-\$0.01
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information 12/1/2017	
Dec2000	\$0.00	Total Current Assets	\$300,256,000
Dec1999	\$0.00	Total Current Liabilities	\$113,533,000
Dec1998	\$0.00	Long-Term Debt	\$310,005,000
		Total Assets	\$785,169,000
		Intangible Assets	\$257,069,000
		Total Liabilities	\$451,610,000
		Shares Outstanding (Diluted Average)	19,847,000





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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