

ModernGraham Valuation

CF Industries
Holdings, Inc.



Company Name:

Company Ticker CF

Date of Analysis

4/12/2018

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 | \$8,914,310,731 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 2.53 | 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 | | |
| 5. Earnings Growth | | -90.21% | Fail |
| 6. Moderate PEmg Ratio | PEmg < 20 | 36.75 | Fail |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 2.52 | 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 | 2.53 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 5.30 | 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 | | Fail |

Suitability

| | |
|---------------------|-----------|
| Defensive | No |
| Enterprising | No |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|---------------|
| EPSmg | \$1.04 |
| MG Growth Estimate | -4.25% |
| MG Value | \$0.00 |
| MG Value based on 3% Growth | \$15.07 |
| MG Value based on 0% Growth | \$8.83 |
| Market Implied Growth Rate | 14.13% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$38.20 |
| % of Intrinsic Value | N/A |
| Opinion | Overvalued |
| MG Grade | D |

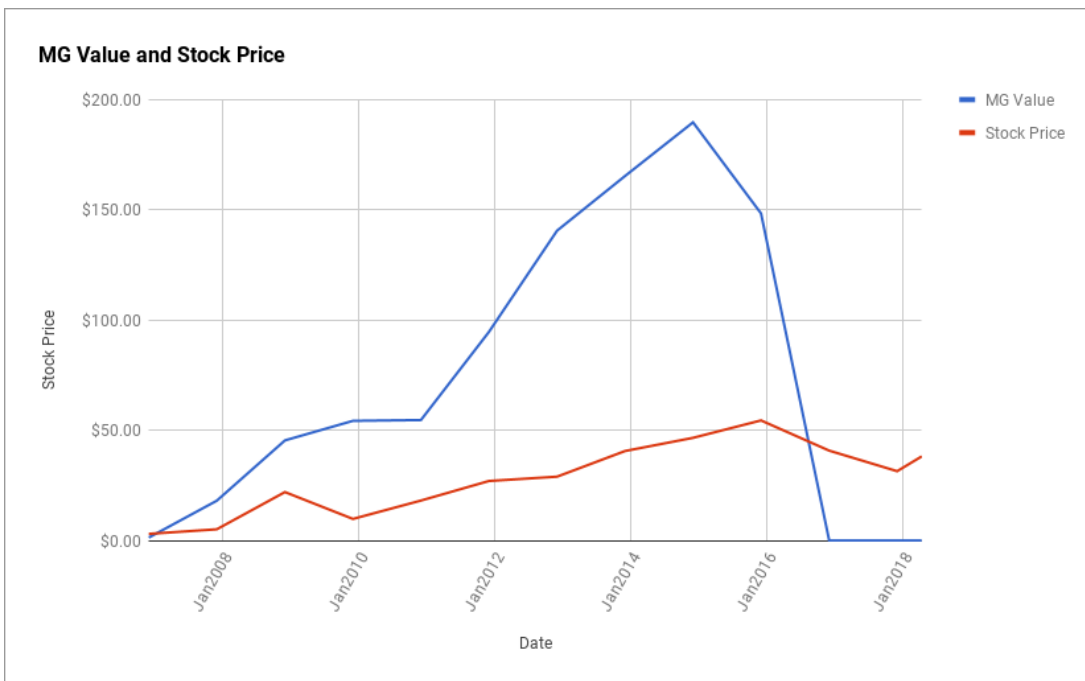
Stage 3: Information for Further Research

| | |
|--|----------|
| Net Current Asset Value (NCAV) | -\$35.67 |
| Graham Number | \$10.83 |
| PEmg | 36.75 |
| Current Ratio | 2.53 |
| PB Ratio | 2.52 |
| Current Dividend | \$1.20 |
| Dividend Yield | 3.14% |
| Number of Consecutive Years of Dividend Growth | 0 |

Useful Links:

| | |
|--|-------------------------------|
| ModernGraham tagged articles | Morningstar |
| Google Finance | MSN Money |
| Yahoo Finance | Seeking Alpha |
| GuruFocus | SEC Filings |

| EPS History | | EPSmg History | |
|---------------------------|---------|--|------------------|
| Next Fiscal Year Estimate | \$0.34 | Next Fiscal Year Estimate | \$1.04 |
| Dec2017 | \$1.53 | Dec2017 | \$1.84 |
| Dec2016 | -\$1.19 | Dec2016 | \$2.52 |
| Dec2015 | \$2.96 | Dec2015 | \$4.48 |
| Dec2014 | \$5.42 | Dec2014 | \$4.93 |
| Dec2013 | \$4.95 | Dec2013 | \$4.30 |
| Dec2012 | \$5.72 | Dec2012 | \$3.65 |
| Dec2011 | \$4.40 | Dec2011 | \$2.46 |
| Dec2010 | \$1.07 | Dec2010 | \$1.42 |
| Dec2009 | \$1.48 | Dec2009 | \$1.41 |
| Dec2008 | \$2.43 | Dec2008 | \$1.18 |
| Dec2007 | \$1.31 | Dec2007 | \$0.47 |
| Dec2006 | \$0.12 | Dec2006 | \$0.04 |
| Dec2005 | -\$0.14 | Dec2005 | -\$0.01 |
| Dec2004 | \$0.25 | Dec2004 | \$0.04 |
| Dec2003 | -\$0.07 | Dec2003 | -\$0.05 |
| Dec2002 | -\$0.10 | Dec2002 | -\$0.03 |
| Dec2001 | \$0.00 | Balance Sheet Information 12/1/2017 | |
| Dec2000 | \$0.00 | Total Current Assets | \$1,465,000,000 |
| Dec1999 | \$0.00 | Total Current Liabilities | \$580,000,000 |
| Dec1998 | \$0.00 | Long-Term Debt | \$4,692,000,000 |
| | | Total Assets | \$13,463,000,000 |
| | | Intangible Assets | \$2,500,000,000 |
| | | Total Liabilities | \$9,884,000,000 |
| | | Shares Outstanding (Diluted Average) | 236,000,000 |





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**
- [CF Industries Holdings Inc Valuation – August 2016 \\$CF](#)
 - [CF Industries Valuation – March 2016 \\$CF](#)
 - [10 Companies Benjamin Graham Would Invest In Today – March 2016](#)
 - [10 Most Undervalued Companies for the Defensive Investor – February 2016](#)
 - [10 Low PE Stocks for the Defensive Investor – February 2016](#)

- Other ModernGraham posts about related companies**
- [LSB Industries Inc Valuation – Initial Coverage \\$LXU](#)
 - [Monsanto Company Valuation – March 2017 \\$MON](#)
 - [Mosaic Company Valuation – February 2017 \\$MOS](#)
 - [Scotts Miracle-Gro Inc Valuation – Initial Coverage \\$SMG](#)
 - [Intrepid Potash Inc Valuation – Initial Coverage \\$IPI](#)
 - [CF Industries Holdings Inc Valuation – August 2016 \\$CF](#)
 - [CF Industries Valuation – March 2016 \\$CF](#)
 - [Monsanto Company Valuation – January 2016 Update \\$MON](#)
 - [Mosaic Company Valuation – October 2015 Update \\$MOS](#)
 - [CF Industries Holdings Inc. Analysis – September 2015 Update \\$CF](#)