

ModernGraham Valuation

Church & Dwight Co.,
Inc.



Company Name:

Company Ticker CHD

Date of Analysis

4/29/2018

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	\$11,263,999,708	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.07	Fail
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	141.57%	Pass
6. Moderate PEmg Ratio	PEmg < 20	21.53	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.35	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	1.07	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	32.26	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.17
MG Growth Estimate	9.61%
MG Value	\$60.25
MG Value based on 3% Growth	\$31.50
MG Value based on 0% Growth	\$18.47
Market Implied Growth Rate	6.52%

MG Opinion

Current Price	\$46.78
% of Intrinsic Value	77.65%
Opinion	Fairly Valued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$11.02
Graham Number	\$21.20
PEmg	21.53
Current Ratio	1.07
PB Ratio	5.35
Current Dividend	\$0.76
Dividend Yield	1.62%
Number of Consecutive Years of Dividend Growth	13

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.23	Next Fiscal Year Estimate	\$2.17
Dec2017	\$2.90	Dec2017	\$2.04
Dec2016	\$1.75	Dec2016	\$1.56
Dec2015	\$1.54	Dec2015	\$1.43
Dec2014	\$1.51	Dec2014	\$1.32
Dec2013	\$1.40	Dec2013	\$1.19
Dec2012	\$1.23	Dec2012	\$1.04
Dec2011	\$1.06	Dec2011	\$0.91
Dec2010	\$0.94	Dec2010	\$0.79
Dec2009	\$0.85	Dec2009	\$0.69
Dec2008	\$0.70	Dec2008	\$0.58
Dec2007	\$0.62	Dec2007	\$0.50
Dec2006	\$0.52	Dec2006	\$0.42
Dec2005	\$0.46	Dec2005	\$0.36
Dec2004	\$0.34	Dec2004	\$0.29
Dec2003	\$0.32	Dec2003	\$0.25
Dec2002	\$0.27	Dec2002	\$0.20
Dec2001	\$0.19	Balance Sheet Information 12/1/2017	
Dec2000	\$0.14	Total Current Assets	\$1,000,200,000
Dec1999	\$0.19	Total Current Liabilities	\$935,000,000
Dec1998	\$0.13	Long-Term Debt	\$2,103,400,000
		Total Assets	\$6,014,800,000
		Intangible Assets	\$4,279,400,000
		Total Liabilities	\$3,796,800,000
		Shares Outstanding (Diluted Average)	253,700,000





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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