

ModernGraham Valuation

Company Name:

Whirlpool Corporation

Company Ticker WHR

Date of Analysis

4/25/2018



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	\$10,593,784,367	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.90	Fail
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	76.36%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	15.28	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.61	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	0.90	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-4.92	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		Pass
	Score		

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$10.18
MG Growth Estimate	4.93%
MG Value	\$186.78
MG Value based on 3% Growth	\$147.59
MG Value based on 0% Growth	\$86.52
Market Implied Growth Rate	3.39%

MG Opinion

Current Price	\$155.48
% of Intrinsic Value	83.24%
Opinion	Fairly Valued
MG Grade	B

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$110.39
Graham Number	\$137.98
PEmg	15.28
Current Ratio	0.90
PB Ratio	2.61
Current Dividend	\$4.30
Dividend Yield	2.77%
Number of Consecutive Years of Dividend Growth	7

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$14.31	Next Fiscal Year Estimate	\$10.18
Dec2017	\$4.70	Dec2017	\$8.37
Dec2016	\$11.50	Dec2016	\$9.79
Dec2015	\$9.83	Dec2015	\$8.51
Dec2014	\$8.17	Dec2014	\$7.66
Dec2013	\$10.24	Dec2013	\$7.11
Dec2012	\$5.06	Dec2012	\$5.56
Dec2011	\$4.99	Dec2011	\$5.92
Dec2010	\$7.97	Dec2010	\$6.36
Dec2009	\$4.34	Dec2009	\$5.68
Dec2008	\$5.50	Dec2008	\$6.32
Dec2007	\$8.01	Dec2007	\$6.60
Dec2006	\$5.67	Dec2006	\$5.12
Dec2005	\$6.19	Dec2005	\$4.07
Dec2004	\$5.90	Dec2004	\$2.77
Dec2003	\$5.91	Dec2003	\$1.49
Dec2002	-\$5.79	Dec2002	\$0.08
Dec2001	\$0.31	Balance Sheet Information 3/1/2018	
Dec2000	\$5.20	Total Current Assets	\$8,091,000,000
Dec1999	\$4.56	Total Current Liabilities	\$8,943,000,000
Dec1998	\$4.25	Long-Term Debt	\$4,190,000,000
		Total Assets	\$20,339,000,000
		Intangible Assets	\$5,761,000,000
		Total Liabilities	\$16,050,000,000
		Shares Outstanding (Diluted Average)	72,100,000





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

- [5 Undervalued Stocks for Value Investors with a High Beta – February 2017](#)
- [10 Undervalued Companies for the Defensive Investor – February 2017](#)
- [5 Undervalued Stocks for Value Investors with a High Beta – January 2017](#)
- [10 Undervalued Companies for the Defensive Investor – January 2017](#)
- [10 Undervalued Stocks for the Defensive Investor – December 2016](#)

Other ModernGraham posts about related companies

- [Whirlpool Corporation Valuation – December 2016 \\$WHR](#)
- [Whirlpool Corporation Analysis – 2015 Update \\$WHR](#)
- [Whirlpool Corporation Annual Valuation – 2014 \\$WHR](#)
- [Whirlpool Corp \(WHR\) Quarterly Valuation – May 2014](#)