

ModernGraham Valuation

Big 5 Sporting Goods
Corporation



Company Name:

Company Ticker BGFV

Date of Analysis

6/9/2018

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	\$184,177,204	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.17	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	-39.92%	Fail
5. Earnings Growth	PEmg < 20	16.27	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.98	Pass
7. Moderate Price to Assets			

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	2.17	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.36	Pass
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	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.53
MG Growth Estimate	-4.25%
MG Value	\$4.41
MG Value based on 3% Growth	\$7.67
MG Value based on 0% Growth	\$4.49
Market Implied Growth Rate	3.88%

MG Opinion

Current Price	\$8.60
% of Intrinsic Value	195.02%
Opinion	Overvalued
MG Grade	B

Stage 3: Information for Further Research

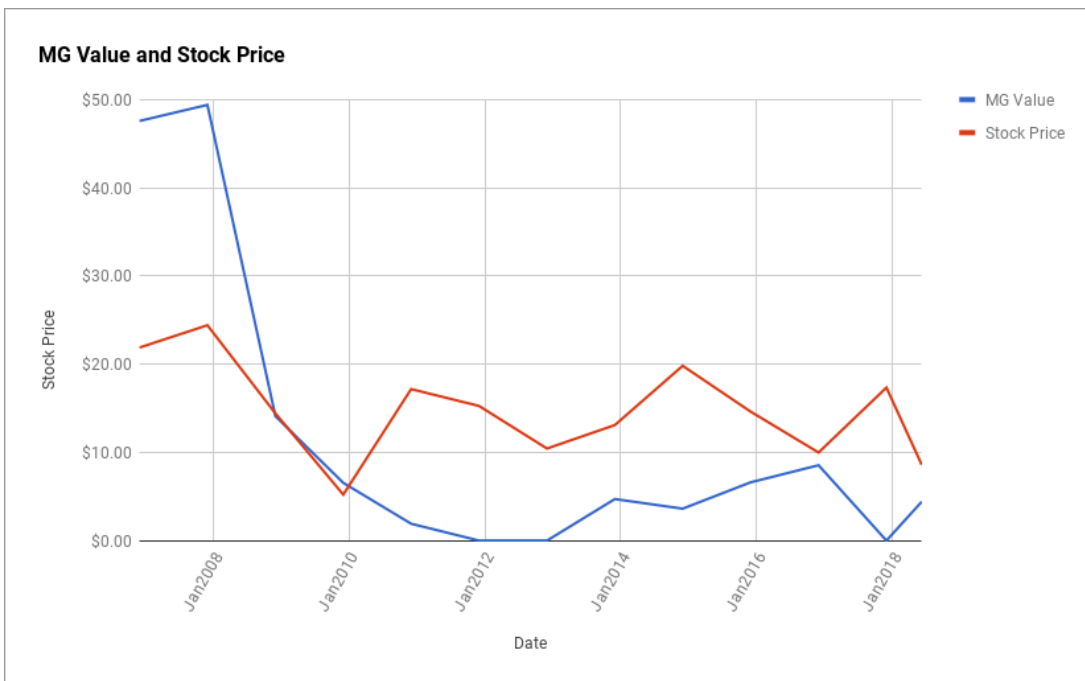
Net Current Asset Value (NCAV)	\$4.41
Graham Number	\$11.49
PEmg	16.27
Current Ratio	2.17
PB Ratio	0.98
Current Dividend	\$0.60
Dividend Yield	6.98%
Number of Consecutive Years of Dividend Growth	2

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.67	Next Fiscal Year Estimate	\$0.53
Dec2017	\$0.05	Dec2017	\$0.54
Dec2016	\$0.77	Dec2016	\$0.79
Dec2015	\$0.70	Dec2015	\$0.79
Dec2014	\$0.67	Dec2014	\$0.83
Dec2013	\$1.27	Dec2013	\$0.91
Dec2012	\$0.69	Dec2012	\$0.74
Dec2011	\$0.53	Dec2011	\$0.80
Dec2010	\$0.94	Dec2010	\$0.97
Dec2009	\$1.01	Dec2009	\$1.02
Dec2008	\$0.64	Dec2008	\$1.08
Dec2007	\$1.25	Dec2007	\$1.28
Dec2006	\$1.35	Dec2006	\$1.24
Dec2005	\$1.21	Dec2005	\$1.09
Dec2004	\$1.47	Dec2004	\$0.93
Dec2003	\$1.03	Dec2003	\$0.59
Dec2002	\$0.48	Dec2002	\$0.32
Dec2001	\$0.42	Balance Sheet Information 3/1/2018	
Dec2000	\$0.24	Total Current Assets	\$352,053,000
Dec1999	\$0.00	Total Current Liabilities	\$162,544,000
Dec1998	\$0.00	Long-Term Debt	\$68,901,000
		Total Assets	\$442,690,000
		Intangible Assets	\$0
		Total Liabilities	\$259,705,000
		Shares Outstanding (Diluted Average)	20,942,000





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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