

ModernGraham Valuation

Company Name:

Leggett & Platt, Inc.

Company Ticker LEG

Date of Analysis

6/24/2018



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	\$5,735,164,624	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.85	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	160.21%	Pass
5. Earnings Growth	PEmg < 20	18.62	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.98	Fail
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	1.85	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.48	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	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.35
MG Growth Estimate	15.00%
MG Value	\$90.32
MG Value based on 3% Growth	\$34.02
MG Value based on 0% Growth	\$19.94
Market Implied Growth Rate	5.06%

MG Opinion

Current Price	\$43.69
% of Intrinsic Value	48.37%
Opinion	Undervalued
MG Grade	B+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$5.00
Graham Number	\$23.11
PEmg	18.62
Current Ratio	1.85
PB Ratio	4.98
Current Dividend	\$1.42
Dividend Yield	3.25%
Number of Consecutive Years of Dividend Growth	20

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		Next Fiscal Year Estimate	\$2.35
Dec2017	\$2.13	Dec2017	\$2.08
Dec2016	\$2.76	Dec2016	\$1.96
Dec2015	\$2.28	Dec2015	\$1.51
Dec2014	\$0.68	Dec2014	\$1.14
Dec2013	\$1.34	Dec2013	\$1.31
Dec2012	\$1.70	Dec2012	\$1.21
Dec2011	\$1.04	Dec2011	\$0.87
Dec2010	\$1.15	Dec2010	\$0.79
Dec2009	\$0.70	Dec2009	\$0.69
Dec2008	\$0.62	Dec2008	\$0.78
Dec2007	-\$0.06	Dec2007	\$0.93
Dec2006	\$1.61	Dec2006	\$1.39
Dec2005	\$1.30	Dec2005	\$1.25
Dec2004	\$1.45	Dec2004	\$1.21
Dec2003	\$1.05	Dec2003	\$1.12
Dec2002	\$1.17	Dec2002	\$1.18
Dec2001	\$0.94	Balance Sheet Information 3/1/2018	
Dec2000	\$1.32	Total Current Assets	\$1,814,100,000
Dec1999	\$1.45	Total Current Liabilities	\$978,100,000
Dec1998	\$1.24	Long-Term Debt	\$1,239,000,000
		Total Assets	\$3,692,400,000
		Intangible Assets	\$1,038,500,000
		Total Liabilities	\$2,496,100,000
		Shares Outstanding (Diluted Average)	136,300,000





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

[Best Dividend Paying Stocks for Dividend Growth Investors – August 2017](#)
[Leggett & Platt Inc Valuation – March 2017 \\$LEG](#)
[Best Dividend Paying Stocks for Dividend Growth Investors – March 2017](#)
[Best Dividend Paying Stocks for Dividend Growth Investors – February 2017](#)
[Best Dividend Paying Stocks for Dividend Growth Investors – January 2017](#)

Other
ModernGraham
posts about related
companies

[Clorox Co Valuation – May 2018 \\$CLX](#)
[Newell Brands Inc Valuation – March 2018 \\$NWL](#)
[La-Z-Boy Inc Valuation – Initial Coverage \\$LZB](#)
[Tupperware Brands Corp Valuation – Initial Coverage \\$TUP](#)
[Leggett & Platt Inc Valuation – March 2017 \\$LEG](#)
[Newell Brands Inc Valuation – February 2017 \\$NWL](#)
[Clorox Company Valuation – January 2017 \\$CLX](#)
[Select Comfort Corp Valuation – Initial Coverage \\$SCSS](#)
[Leggett & Platt Inc Valuation – August 2016 \\$LEG](#)
[National Presto Industries Inc Valuation – July 2016 \\$NPK](#)