# **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	
5. Earnings Growth	beginning and end	160.21% Pass
Moderate PEmg Ratio	PEmg < 20	18.62 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.98 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	1.85 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	Pass
	•	

48 37%

Score

Suitability

MG Opinion

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%	
Current Price	\$43.69	

% of Intrinsic Value Opinion Undervalued MG Grade

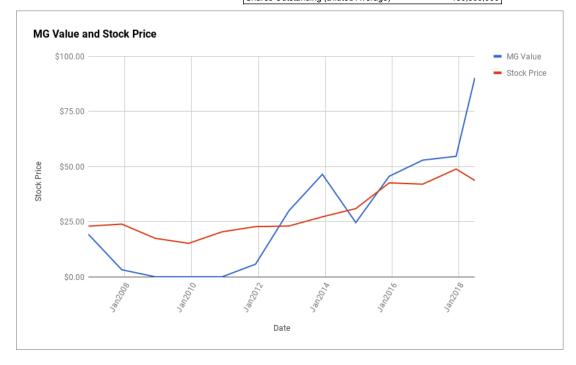
#### Stage 3: Information for Further Research

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 <u>La-Z-Boy Inc Valuation – Initial Coverage \$LZB</u>

<u>Tupperware Brands Corp Valuation – Initial Coverage \$TUP</u>

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