

ModernGraham Valuation

Korn/Ferry
International



Company Name:

Company Ticker KFY

Date of Analysis

8/9/2018

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 | \$3,767,418,511 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 1.82 | Fail |
| 3. Earnings Stability | Positive EPS for 10 years prior | | Pass |
| 4. Dividend Record | Dividend Payments for 10 years prior | | Fail |
| 5. Earnings Growth | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | 175.20% | Pass |
| 6. Moderate PEmg Ratio | PEmg < 20 | 30.94 | Fail |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 3.10 | 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 | 1.82 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 0.46 | 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 | | Pass |

Suitability

| | |
|---------------------|------------|
| Defensive | No |
| Enterprising | Yes |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|----------------|
| EPSmg | \$2.17 |
| MG Growth Estimate | 8.97% |
| MG Value | \$57.42 |
| MG Value based on 3% Growth | \$31.49 |
| MG Value based on 0% Growth | \$18.46 |
| Market Implied Growth Rate | 11.22% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$67.20 |
| % of Intrinsic Value | 117.04% |
| Opinion | Overvalued |
| MG Grade | C |

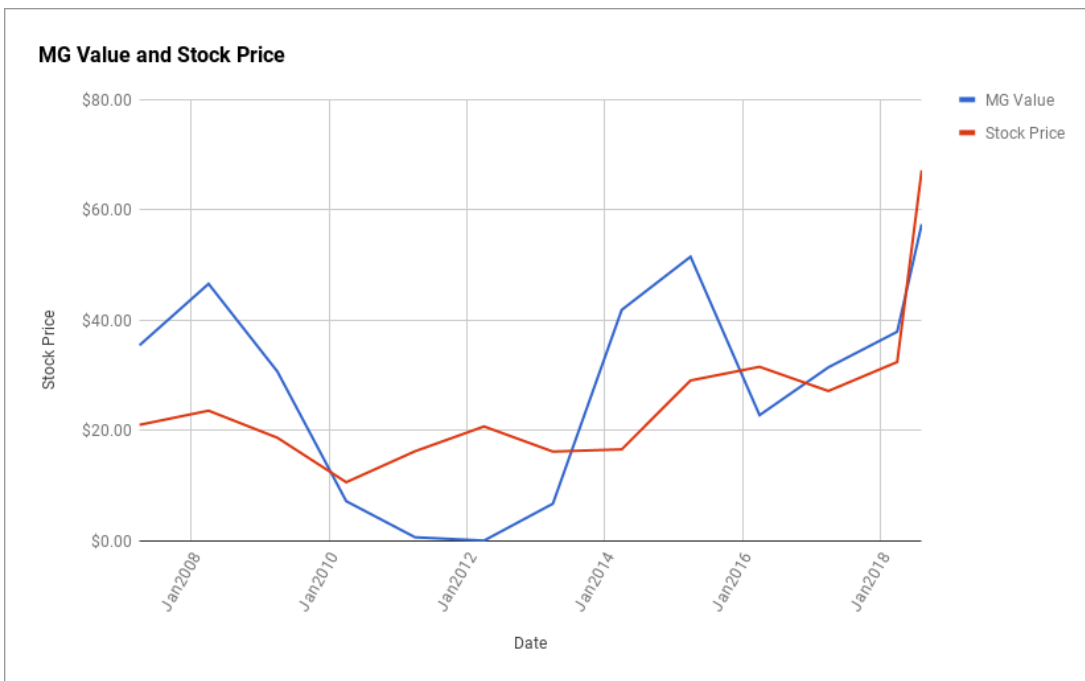
Stage 3: Information for Further Research

| | |
|--|---------|
| Net Current Asset Value (NCAV) | -\$0.96 |
| Graham Number | \$39.18 |
| PEmg | 30.94 |
| Current Ratio | 1.82 |
| PB Ratio | 3.10 |
| Current Dividend | \$0.40 |
| Dividend Yield | 0.60% |
| Number of Consecutive Years of Dividend Growth | 0 |

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 | \$3.17 | Next Fiscal Year Estimate | \$2.17 |
| Apr2018 | \$2.35 | Apr2018 | \$1.62 |
| Apr2017 | \$1.47 | Apr2017 | \$1.24 |
| Apr2016 | \$0.58 | Apr2016 | \$1.13 |
| Apr2015 | \$1.76 | Apr2015 | \$1.36 |
| Apr2014 | \$1.48 | Apr2014 | \$1.09 |
| Apr2013 | \$0.70 | Apr2013 | \$0.79 |
| Apr2012 | \$1.15 | Apr2012 | \$0.81 |
| Apr2011 | \$1.27 | Apr2011 | \$0.69 |
| Apr2010 | \$0.12 | Apr2010 | \$0.52 |
| Apr2009 | -\$0.23 | Apr2009 | \$0.80 |
| Apr2008 | \$1.46 | Apr2008 | \$1.21 |
| Apr2007 | \$1.24 | Apr2007 | \$0.92 |
| Apr2006 | \$1.32 | Apr2006 | \$0.45 |
| Apr2005 | \$0.90 | Apr2005 | -\$0.09 |
| Apr2004 | \$0.13 | Apr2004 | -\$0.49 |
| Apr2003 | -\$0.63 | Apr2003 | -\$0.80 |
| Apr2002 | -\$2.62 | Balance Sheet Information 4/1/2018 | |
| Apr2001 | \$0.81 | Total Current Assets | \$1,014,259,000 |
| Apr2000 | \$0.82 | Total Current Liabilities | \$558,460,000 |
| Apr1999 | -\$2.37 | Long-Term Debt | \$211,311,000 |
| | | Total Assets | \$2,287,914,000 |
| | | Intangible Assets | \$787,438,000 |
| | | Total Liabilities | \$1,068,299,000 |
| | | Shares Outstanding (Diluted Average) | 56,308,000 |





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

- [14 Best Stocks for Value Investors This Week – 2/11/17](#)
- [Korn-Ferry International Valuation – Initial Coverage \\$KFY](#)

Other ModernGraham posts about related companies

- [Kelly Services Inc Valuation – August 2018 \\$KELYA](#)
- [Jack Henry & Associates Inc Valuation – August 2018 \\$JKHY](#)
- [Dun & Bradstreet Corp Valuation – July 2018 \\$DNB](#)
- [CoreLogic Inc Valuation – July 2018 \\$CLGX](#)
- [Pitney Bowes Inc Valuation – June 2018 \\$PBI](#)
- [United Rentals Inc Valuation – June 2018 \\$URI](#)
- [Global Payments Inc Valuation – June 2018 \\$GPN](#)
- [Verisk Analytics Inc Valuation – June 2018 \\$VRSK](#)
- [Robert Half International Inc Valuation – June 2018 \\$RHI](#)
- [Alliance Data Systems Corp Valuation – May 2018 \\$ADS](#)