

ModernGraham Valuation

International Flavors
& Fragrances Inc



Company Name:

Company Ticker IFF

Date of Analysis

1/13/2019

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	\$14,388,233,724	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	9.16	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	56.57%	Pass
6. Moderate PEmg Ratio	PEmg < 20	28.17	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.73	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	9.16	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.70	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	\$4.79
MG Growth Estimate	2.52%
MG Value	\$64.90
MG Value based on 3% Growth	\$69.46
MG Value based on 0% Growth	\$40.72
Market Implied Growth Rate	9.83%

MG Opinion

Current Price	\$134.95
% of Intrinsic Value	207.92%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

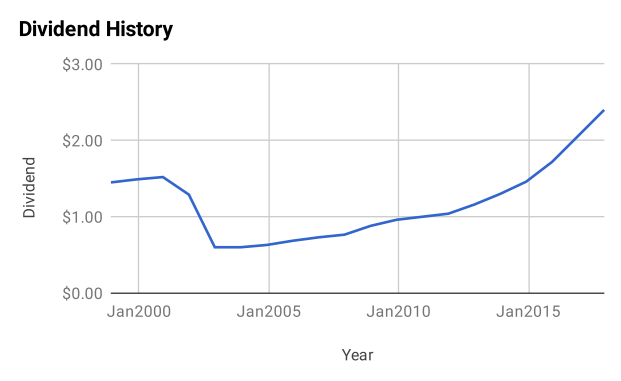
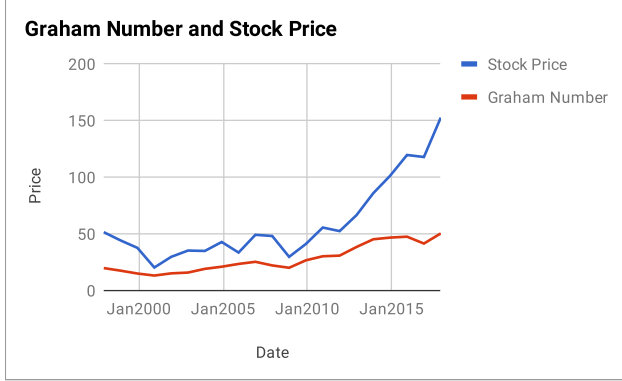
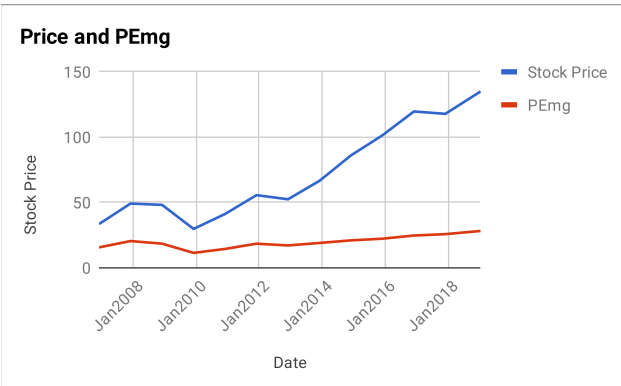
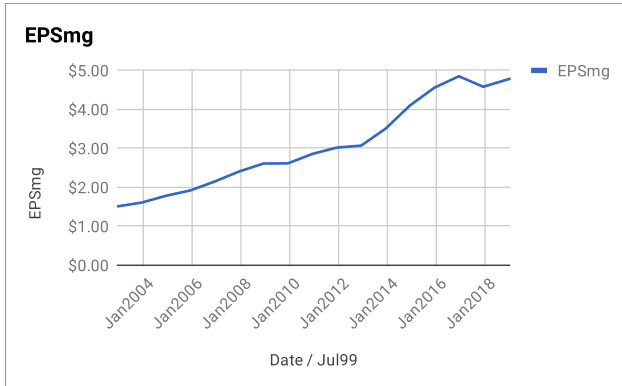
Net Current Asset Value (NCAV)	\$16.77
Graham Number	\$50.39
PEmg	28.17
Current Ratio	9.16
PB Ratio	2.73
Current Dividend	\$2.66
Dividend Yield	1.97%
Number of Consecutive Years of Dividend Growth	15

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	\$5.29	Next Fiscal Year Estimate	\$4.79
Dec2017	\$3.72	Dec2017	\$4.58
Dec2016	\$5.05	Dec2016	\$4.85
Dec2015	\$5.16	Dec2015	\$4.56
Dec2014	\$5.06	Dec2014	\$4.10
Dec2013	\$4.29	Dec2013	\$3.50
Dec2012	\$3.09	Dec2012	\$3.07
Dec2011	\$3.26	Dec2011	\$3.02
Dec2010	\$3.26	Dec2010	\$2.86
Dec2009	\$2.46	Dec2009	\$2.61
Dec2008	\$2.86	Dec2008	\$2.61
Dec2007	\$2.82	Dec2007	\$2.40
Dec2006	\$2.48	Dec2006	\$2.15
Dec2005	\$2.04	Dec2005	\$1.92
Dec2004	\$2.05	Dec2004	\$1.78
Dec2003	\$1.83	Dec2003	\$1.61
Dec2002	\$1.84	Dec2002	\$1.51
Dec2001	\$1.20	Balance Sheet Information 9/1/2018	
Dec2000	\$1.22	Total Current Assets	\$6,946,827,000
Dec1999	\$1.53	Total Current Liabilities	\$758,456,000
Dec1998	\$1.90	Long-Term Debt	\$4,331,242,000
		Total Assets	\$9,615,542,000
		Intangible Assets	\$1,538,439,000
		Total Liabilities	\$5,577,593,000
		Shares Outstanding (Diluted Average)	81,647,000





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

#N/A

- <https://www.moderngraham.com/2016/06/25/9-best-stocks-for-value-investors-this-week-62416/>
- <https://www.moderngraham.com/2016/06/24/international-flavors-fragrances-inc-valuation-june-2016-iff/>
- <https://www.moderngraham.com/2015/12/12/13-best-stocks-for-value-investors-this-week-121215/>
- <https://www.moderngraham.com/2015/12/11/international-flavors-fragrances-valuation-december-2015-update-iff/>

Other ModernGraham posts about related companies

- [Estee Lauder Companies Inc Valuation – December 2018 \\$EL](#)
- [Proctor & Gamble Co Valuation – November 2018 \\$PG](#)
- [Johnson & Johnson Valuation – November 2018 \\$JNJ](#)
- [Inter Parfums Inc Valuation – July 2018 \\$IPAR](#)
- [Service Corp International Valuation – July 2018 \\$SCI](#)
- [Avon Products Inc Valuation – June 2018 \\$AVP](#)
- [Colgate-Palmolive Co Valuation – June 2018 \\$CL](#)
- [Coty Inc Valuation – May 2018 \\$COTY](#)
- [Church & Dwight Co Inc Valuation – April 2018 \\$CHD](#)
- [Kimberly-Clark Corp Valuation – March 2018 \\$KMB](#)