

# ModernGraham Valuation

CF Industries  
Holdings, Inc.



## Company Name:

Company Ticker CF

Date of Analysis

2/12/2019

## 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	\$9,940,168,299	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.03	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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		
5. Earnings Growth		-79.13%	Fail
6. Moderate PEmg Ratio	PEmg < 20	33.23	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.64	Pass

*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	2.03	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.81	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.30
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	\$18.79
MG Value based on 0% Growth	\$11.02
Market Implied Growth Rate	12.37%

### MG Opinion

Current Price	\$43.07
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

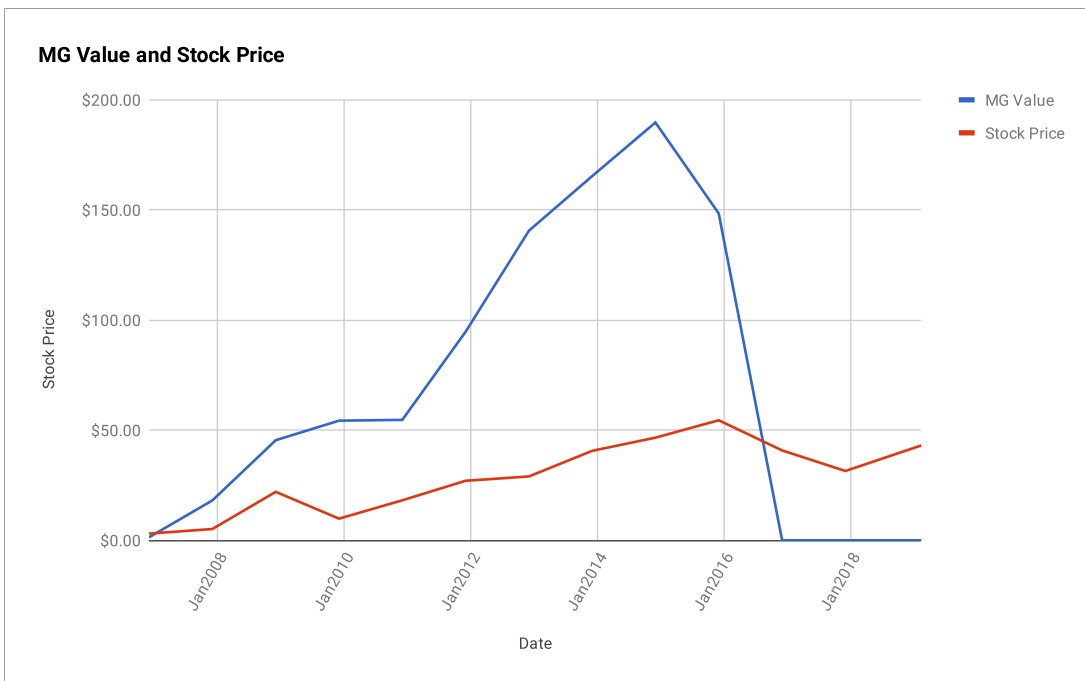
## Stage 3: Information for Further Research

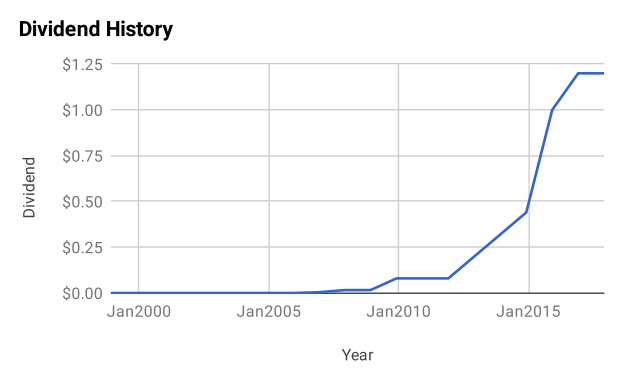
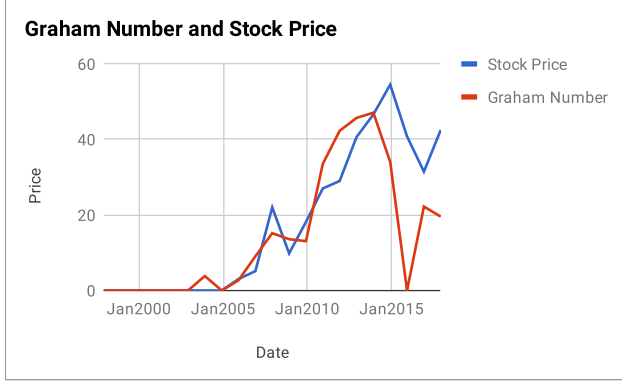
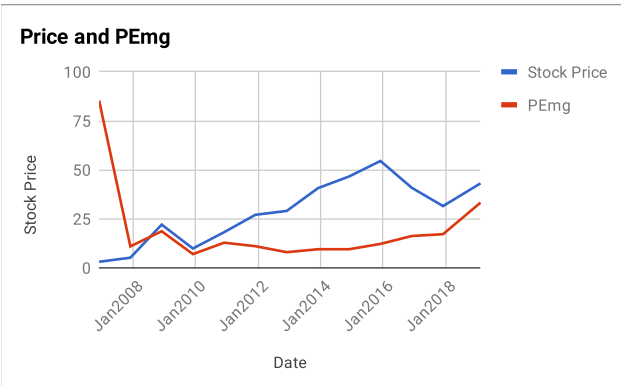
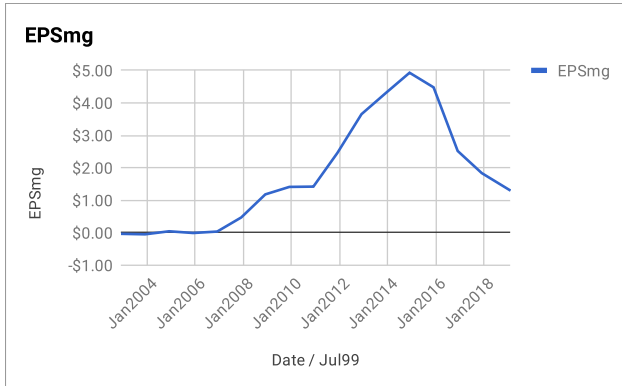
Net Current Asset Value (NCAV)	-\$22.94
Graham Number	\$19.57
PEmg	33.23
Current Ratio	2.03
PB Ratio	1.64
Current Dividend	\$1.20
Dividend Yield	2.79%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.11	Next Fiscal Year Estimate	\$1.30
Dec2017	\$1.53	Dec2017	\$1.84
Dec2016	-\$1.19	Dec2016	\$2.52
Dec2015	\$2.96	Dec2015	\$4.48
Dec2014	\$5.42	Dec2014	\$4.93
Dec2013	\$4.95	Dec2013	\$4.30
Dec2012	\$5.72	Dec2012	\$3.65
Dec2011	\$4.40	Dec2011	\$2.46
Dec2010	\$1.07	Dec2010	\$1.42
Dec2009	\$1.48	Dec2009	\$1.41
Dec2008	\$2.43	Dec2008	\$1.18
Dec2007	\$1.31	Dec2007	\$0.47
Dec2006	\$0.12	Dec2006	\$0.04
Dec2005	-\$0.14	Dec2005	-\$0.01
Dec2004	\$0.25	Dec2004	\$0.04
Dec2003	-\$0.07	Dec2003	-\$0.05
Dec2002	-\$0.10	Dec2002	-\$0.03
Dec2001	\$0.00	<b>Balance Sheet Information 9/1/2018</b>	
Dec2000	\$0.00	Total Current Assets	\$1,597,000,000
Dec1999	\$0.00	Total Current Liabilities	\$788,000,000
Dec1998	\$0.00	Long-Term Debt	\$4,697,000,000
		Total Assets	\$13,156,000,000
		Intangible Assets	\$2,480,000,000
		Total Liabilities	\$6,993,000,000
		Shares Outstanding (Diluted Average)	235,200,000





**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**
- [CF Industries Holdings Inc Valuation – April 2018 \\$CF](#)
  - [CF Industries Holdings Inc Valuation – August 2016 \\$CF](#)
  - [CF Industries Valuation – March 2016 \\$CF](#)
  - [10 Companies Benjamin Graham Would Invest In Today – March 2016](#)
  - [10 Most Undervalued Companies for the Defensive Investor – February 2016](#)

- Other ModernGraham posts about related companies**
- [Scotts Miracle Gro Co Valuation – August 2018 \\$SMG](#)
  - [Intrepid Potash Inc Valuation – July 2018 \\$IPI](#)
  - [Mosaic Company Valuation – May 2018 \\$MOS](#)
  - [CF Industries Holdings Inc Valuation – April 2018 \\$CF](#)
  - [LSB Industries Inc Valuation – Initial Coverage \\$LXU](#)
  - [Monsanto Company Valuation – March 2017 \\$MON](#)
  - [Mosaic Company Valuation – February 2017 \\$MOS](#)
  - [Scotts Miracle-Gro Inc Valuation – Initial Coverage \\$SMG](#)
  - [Intrepid Potash Inc Valuation – Initial Coverage \\$IPI](#)
  - [CF Industries Holdings Inc Valuation – August 2016 \\$CF](#)