

ModernGraham Valuation

Company Name:

Company Ticker CHD

Date of Analysis

2/22/2019

Church & Dwight Co.,
Inc.



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	\$16,335,096,318	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.81	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	136.02%	Pass
5. Earnings Growth	PEmg < 20	28.46	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	6.83	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	0.81	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-6.08	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	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.33
MG Growth Estimate	9.47%
MG Value	\$63.98
MG Value based on 3% Growth	\$33.80
MG Value based on 0% Growth	\$19.82
Market Implied Growth Rate	9.98%

MG Opinion

Current Price	\$66.34
% of Intrinsic Value	103.69%
Opinion	Fairly Valued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$10.05
Graham Number	\$23.34
PEmg	28.46
Current Ratio	0.81
PB Ratio	6.83
Current Dividend	\$0.87
Dividend Yield	1.31%
Number of Consecutive Years of Dividend Growth	14

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	\$2.43	Next Fiscal Year Estimate	\$2.33
Dec2018	\$2.27	Dec2018	\$2.19
Dec2017	\$2.90	Dec2017	\$2.04
Dec2016	\$1.75	Dec2016	\$1.56
Dec2015	\$1.54	Dec2015	\$1.43
Dec2014	\$1.51	Dec2014	\$1.32
Dec2013	\$1.40	Dec2013	\$1.19
Dec2012	\$1.23	Dec2012	\$1.04
Dec2011	\$1.06	Dec2011	\$0.91
Dec2010	\$0.94	Dec2010	\$0.79
Dec2009	\$0.85	Dec2009	\$0.69
Dec2008	\$0.70	Dec2008	\$0.58
Dec2007	\$0.62	Dec2007	\$0.50
Dec2006	\$0.52	Dec2006	\$0.42
Dec2005	\$0.46	Dec2005	\$0.36
Dec2004	\$0.34	Dec2004	\$0.29
Dec2003	\$0.32	Dec2003	\$0.25
Dec2002	\$0.27	Balance Sheet Information 12/1/2018	
Dec2001	\$0.19	Total Current Assets	\$1,078,200,000
Dec2000	\$0.14	Total Current Liabilities	\$1,326,300,000
Dec1999	\$0.19	Long-Term Debt	\$1,508,800,000
		Total Assets	\$6,069,200,000
		Intangible Assets	\$4,266,900,000
		Total Liabilities	\$3,615,400,000
		Shares Outstanding (Diluted Average)	252,500,000





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

[Church & Dwight Co Inc Valuation – April 2018 \\$CHD](#)
[Church & Dwight Co Inc Valuation – Initial Coverage \\$CHD](#)

Other ModernGraham posts about related companies

[International Flavors & Fragrances Inc Valuation – January 2019 \\$IFF](#)
[Estee Lauder Companies Inc Valuation – December 2018 \\$EL](#)
[Procter & 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](#)