

ModernGraham Valuation

Company Name:

Company Ticker IPG

Date of Analysis

3/4/2019

Interpublic Group of
Companies 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	\$8,852,999,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.01	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	92.92%	Pass
5. Earnings Growth	PEmg < 20	15.12	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.69	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	1.01	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	62.04	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	\$1.52
MG Growth Estimate	8.39%
MG Value	\$38.43
MG Value based on 3% Growth	\$22.05
MG Value based on 0% Growth	\$12.93
Market Implied Growth Rate	3.31%

MG Opinion

Current Price	\$23.00
% of Intrinsic Value	59.84%
Opinion	Undervalued
MG Grade	C

Stage 3: Information for Further Research

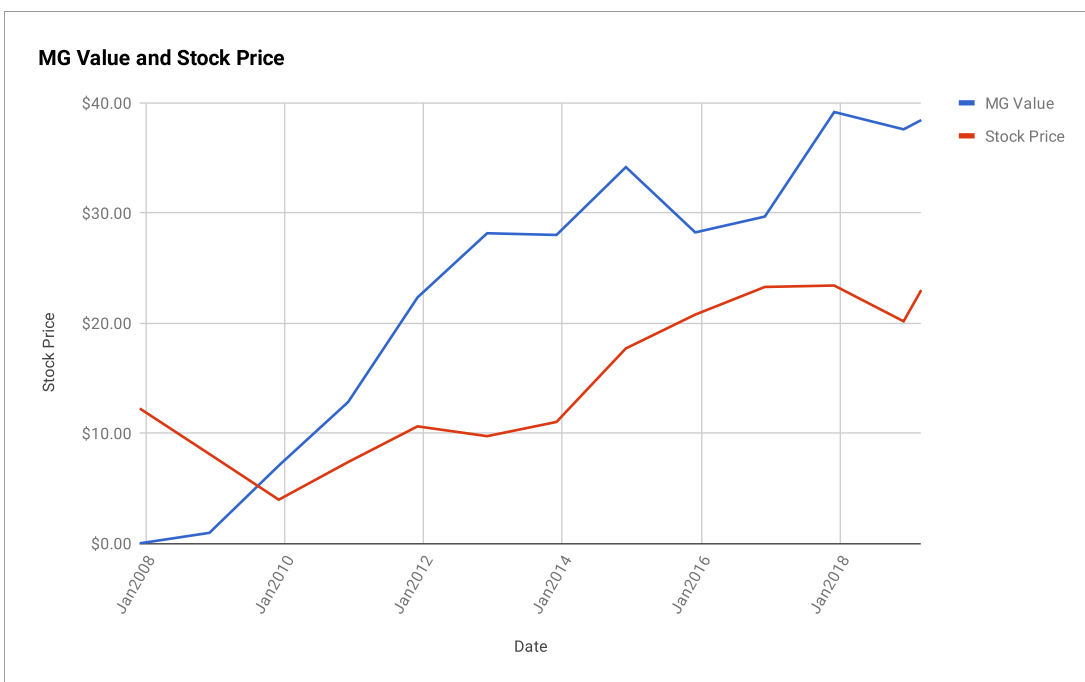
Net Current Asset Value (NCAV)	-\$12.81
Graham Number	\$15.16
PEmg	15.12
Current Ratio	1.01
PB Ratio	3.69
Current Dividend	\$0.84
Dividend Yield	3.65%
Number of Consecutive Years of Dividend Growth	6

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[Yahoo Finance](#)
[GuruFocus](#)

[Morningstar](#)
[MSN Money](#)
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.64	Next Fiscal Year Estimate	\$1.52
Dec2018	\$1.59	Dec2018	\$1.42
Dec2017	\$1.40	Dec2017	\$1.27
Dec2016	\$1.48	Dec2016	\$1.15
Dec2015	\$1.09	Dec2015	\$0.98
Dec2014	\$1.12	Dec2014	\$0.89
Dec2013	\$0.61	Dec2013	\$0.73
Dec2012	\$0.94	Dec2012	\$0.73
Dec2011	\$0.99	Dec2011	\$0.58
Dec2010	\$0.47	Dec2010	\$0.33
Dec2009	\$0.19	Dec2009	\$0.18
Dec2008	\$0.52	Dec2008	\$0.02
Dec2007	\$0.26	Dec2007	-\$0.37
Dec2006	-\$0.19	Dec2006	-\$0.70
Dec2005	-\$0.68	Dec2005	-\$0.97
Dec2004	-\$1.34	Dec2004	-\$0.97
Dec2003	-\$1.40	Dec2003	-\$0.59
Dec2002	\$0.04	Balance Sheet Information 12/1/2018	
Dec2001	-\$1.65	Total Current Assets	\$8,182,900,000
Dec2000	\$0.89	Total Current Liabilities	\$8,123,900,000
Dec1999	\$1.11	Long-Term Debt	\$3,660,200,000
		Total Assets	\$15,620,300,000
		Intangible Assets	\$5,970,700,000
		Total Liabilities	\$13,187,500,000
		Shares Outstanding (Diluted Average)	390,800,000





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

- [Interpublic Group of Companies Inc Valuation – April 2018 \\$IPG](#)
- [Interpublic Group of Companies Inc Valuation – December 2016 \\$IPG](#)
- [Interpublic Group of Companies Inc Valuation – August 2016 \\$IPG](#)
- [Interpublic Group of Companies Inc. Annual Valuation – 2015 \\$IPG](#)
- [16 Companies in the Spotlight this Week – 4/19/14](#)

Other ModernGraham posts about related companies

- [Omnicon Group Inc Valuation – February 2019 \\$OMC](#)
- [Nielsen Holdings PLC Valuation – June 2018 \\$NLSN](#)
- [Interpublic Group of Companies Inc Valuation – April 2018 \\$IPG](#)
- [Omnicon Group Inc Valuation – April 2018 \\$OMC](#)
- [Nielsen N.V. Ordinary Shares Valuation – July 2017 \\$NLSN](#)
- [Lamar Advertising Company Valuation – Initial Coverage \\$LAMR](#)
- [Interpublic Group of Companies Inc Valuation – December 2016 \\$IPG](#)
- [Nielsen NV Valuation – August 2016 \\$NLSN](#)
- [Interpublic Group of Companies Inc Valuation – August 2016 \\$IPG](#)
- [Omnicon Group Inc Valuation – July 2016 \\$OMC](#)