

# ModernGraham Valuation

Company Name:

Leggett & Platt, Inc.

Company Ticker LEG

Date of Analysis

3/26/2019



## 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	\$5,419,827,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.87	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	77.12%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	17.36	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.81	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	1.87	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.65	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		Pass
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.38
MG Growth Estimate	8.74%
<b>MG Value</b>	<b>\$61.86</b>
MG Value based on 3% Growth	\$34.54
MG Value based on 0% Growth	\$20.25
Market Implied Growth Rate	4.43%

### MG Opinion

Current Price	\$41.35
% of Intrinsic Value	66.84%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>A-</b>

## Stage 3: Information for Further Research

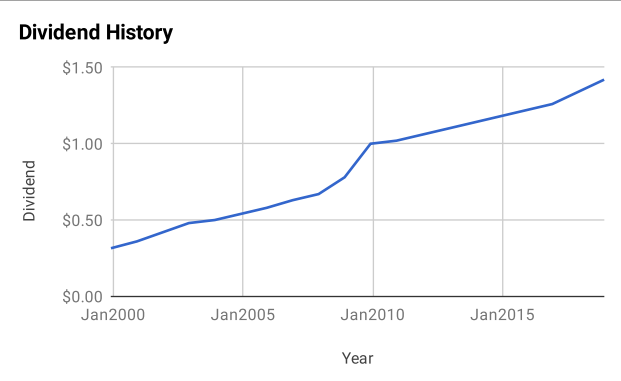
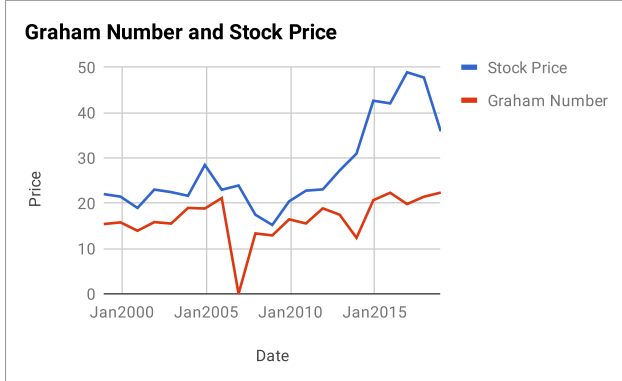
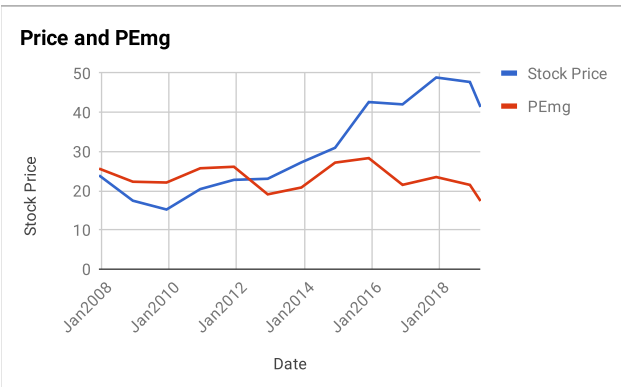
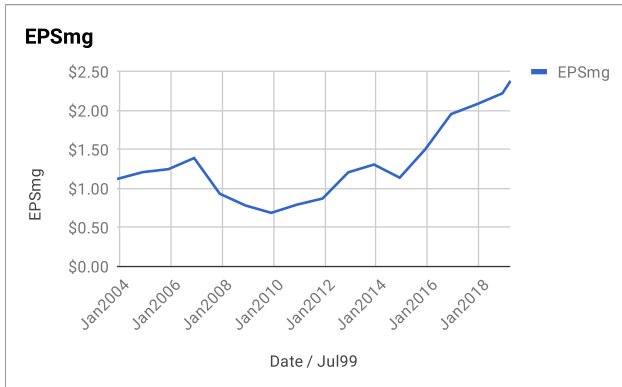
Net Current Asset Value (NCAV)	-\$5.20
Graham Number	\$22.33
PEmg	17.36
Current Ratio	1.87
PB Ratio	4.81
Current Dividend	\$1.50
Dividend Yield	3.63%
Number of Consecutive Years of Dividend Growth	20

### 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	\$2.50	Next Fiscal Year Estimate	\$2.38
Dec2018	\$2.26	Dec2018	\$2.22
Dec2017	\$2.13	Dec2017	\$2.08
Dec2016	\$2.76	Dec2016	\$1.96
Dec2015	\$2.28	Dec2015	\$1.51
Dec2014	\$0.68	Dec2014	\$1.14
Dec2013	\$1.34	Dec2013	\$1.31
Dec2012	\$1.70	Dec2012	\$1.21
Dec2011	\$1.04	Dec2011	\$0.87
Dec2010	\$1.15	Dec2010	\$0.79
Dec2009	\$0.70	Dec2009	\$0.69
Dec2008	\$0.62	Dec2008	\$0.78
Dec2007	-\$0.06	Dec2007	\$0.93
Dec2006	\$1.61	Dec2006	\$1.39
Dec2005	\$1.30	Dec2005	\$1.25
Dec2004	\$1.45	Dec2004	\$1.21
Dec2003	\$1.05	Dec2003	\$1.12
Dec2002	\$1.17	<b>Balance Sheet Information</b>	<b>12/1/2018</b>
Dec2001	\$0.94	Total Current Assets	\$1,524,600,000
Dec2000	\$1.32	Total Current Liabilities	\$815,700,000
Dec1999	\$1.45	Long-Term Debt	\$1,167,800,000
		Total Assets	\$3,382,000,000
		Intangible Assets	\$1,012,500,000
		Total Liabilities	\$2,224,400,000
		Shares Outstanding (Diluted Average)	134,600,000





**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**
- [Best Dividend Paying Stocks for Dividend Growth Investors – February 2019](#)
  - [10 Best Dividend Paying Stocks for the Enterprising Investor – September 2018](#)
  - [Best Dividend Paying Stocks for Dividend Growth Investors – August 2018](#)
  - [Best Dividend Paying Stocks for Dividend Growth Investors – June 2018](#)
  - [Leggett & Platt Inc Valuation – June 2018 \\$LEG](#)

- Other ModernGraham posts about related companies**
- [Clorox Co Valuation – March 2019 \\$CLX](#)
  - [Kimberly-Clark Corp Valuation – January 2019 \\$KMB](#)
  - [Newell Brands Inc Valuation – January 2019 \\$SNWL](#)
  - [Sleep Number Corp Valuation – July 2018 \\$SNBR](#)
  - [National Presto Industries Inc Valuation – June 2018 \\$NPK](#)
  - [Leggett & Platt Inc Valuation – June 2018 \\$LEG](#)
  - [Clorox Co Valuation – May 2018 \\$CLX](#)
  - [Newell Brands Inc Valuation – March 2018 \\$SNWL](#)
  - [La-Z-Boy Inc Valuation – Initial Coverage \\$LZB](#)
  - [Tupperware Brands Corp Valuation – Initial Coverage \\$TUP](#)