$$\text{Value} = \frac{EPS\ x\ (BPE + M_g\ x\ g)\ x\ AY}{CY}$$

- EPS = Earnings Per Share
- BPE = Base PE Ratio of no-growth company (Graham used a PE of 8.5)
- Mg = Growth rate multiplier (Graham used a value of 2)
- g = Company’s 5-10 years earnings growth estimate
- AY = The average yield of high-grade corporate bond (Graham used 4.4 in 1962)
- CY = The current yield of AAA corporate bonds