

ModernGraham Valuation

Company Name:

Company Ticker LYB

Date of Analysis

8/21/2015

LyondellBasell
Industries NV



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	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Pass
3. Earnings Stability	Positive EPS for 10 years prior	Fail
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	
5. Earnings Growth		Pass
6. Moderate PEmg Ratio	PEmg < 20	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	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

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	7.50
MG Growth Estimate	15.00%
MG Value	\$288.60
MG Value based on 3% Growth	\$108.69
MG Value based on 0% Growth	\$63.72
Market Implied Growth Rate	1.28%

MG Opinion

Current Price	\$82.88
% of Intrinsic Value	28.72%
Opinion	Undervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.93
PEmg	11.06
Current Ratio	2.29
PB Ratio	4.93
Dividend Yield	3.47%
Number of Consecutive Years of Dividend Growth	5

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	\$9.33	Next Fiscal Year Estimate	\$7.50
Dec14	\$7.99	Dec14	\$6.13
Dec13	\$6.75	Dec13	-\$469.00
Dec12	\$4.92	Dec12	-\$944.17
Dec11	\$3.74	Dec11	-\$1,419.05
Dec10	\$2.78	Dec10	-\$1,893.79
Dec09	-\$7,105.20	Dec09	-\$2,368.40
Dec08	\$0.00	Dec08	\$0.00
Dec07	\$0.00	Dec07	\$0.00
Dec06	\$0.00	Dec06	\$0.00
Dec05	\$0.00	Dec05	\$0.00
Dec04	\$0.00	Dec04	\$0.00
Dec03	\$0.00	Dec03	\$0.00
Dec02	\$0.00	Dec02	\$0.00
Dec01	\$0.00	Dec01	\$0.00
Dec00	\$0.00	Dec00	\$0.00
Dec99	\$0.00	Dec99	\$0.00
Dec98	\$0.00	Balance Sheet Information Jun15	
Dec97	\$0.00	Total Current Assets	\$11,990,000,000
Dec96	\$0.00	Total Current Liabilities	\$5,229,000,000
Dec95	\$0.00	Long-Term Debt	\$7,728,000,000
		Total Assets	\$24,605,000,000
		Intangible Assets	\$1,214,000,000
		Total Liabilities	\$16,678,000,000
		Shares Outstanding (Diluted Average)	472,000,000



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.

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[Sigma-Aldrich Corporation Analysis – June 2015 Update \\$SIAL](#)
[Eastman Chemical Company Analysis – June 2015 Quarterly Update \\$EMN](#)
[FMC Corporation Analysis – June 2015 Quarterly Update \\$FMC](#)
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