

ModernGraham Valuation

Company Name:

Company Ticker LYB

Date of Analysis

11/25/2015

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	\$43,250,103,879 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.16 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	81366.67% Pass
5. Earnings Growth	PEmg < 20	12.67 Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	6.10 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	2.16 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.29 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	\$7.62
MG Growth Estimate	15.00%
MG Value	\$293.34
MG Value based on 3% Growth	\$110.48
MG Value based on 0% Growth	\$64.76
Market Implied Growth Rate	2.08%

MG Opinion

Current Price	\$96.53
% of Intrinsic Value	32.91%
Opinion	Undervalued

Stage 3: Information for Further Research

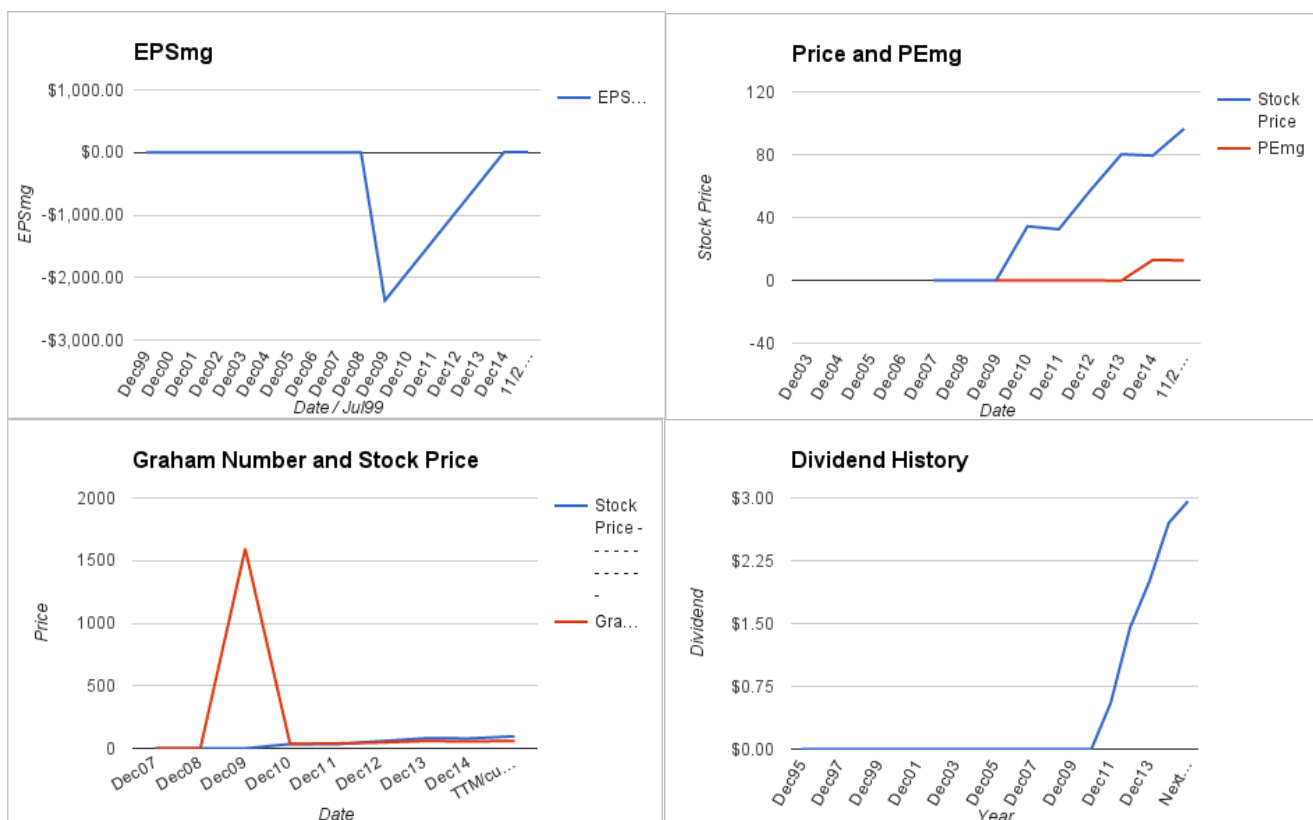
Net Current Asset Value (NCAV)	-\$11.68
Graham Number	\$59.42
PEmg	12.67
Current Ratio	2.16
PB Ratio	6.10
Dividend Yield	3.07%
Number of Consecutive Years of Dividend Growth	5

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	\$9.70	Next Fiscal Year Estimate	\$7.62
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	<div> <div>Balance Sheet Information</div> <div>Sep15</div> <div> <div>Total Current Assets</div> <div>\$11,198,000,000</div> </div> <div> <div>Total Current Liabilities</div> <div>\$5,193,000,000</div> </div> <div> <div>Long-Term Debt</div> <div>\$7,742,000,000</div> </div> <div> <div>Total Assets</div> <div>\$23,935,000,000</div> </div> <div> <div>Intangible Assets</div> <div>\$1,187,000,000</div> </div> <div> <div>Total Liabilities</div> <div>\$16,607,000,000</div> </div> <div> <div>Shares Outstanding (Diluted Average)</div> <div>463,000,000</div> </div> </div>	
Dec97	\$0.00		
Dec96	\$0.00		
Dec95	\$0.00		





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

- [10 Most Undervalued Companies for the Enterprising Investor – November 2015](#)
- [10 Companies Benjamin Graham Would Invest In Today – September 2015](#)
- [The Best Companies of the Chemicals Industry – August 2015](#)
- [10 Undervalued Companies for the Enterprising Dividend Stock Investor – August 2015](#)
- [15 Best Stocks For Value Investors This Week – 8/22/15](#)

Other
ModernGraham
posts about related
companies

- [Albemarle Corporation Valuation – November 2015 Update \\$ALB](#)
- [Dow Chemical Company Analysis – October 2015 Update \\$DOW](#)
- [Sigma-Aldrich Corporation Analysis – September 2015 Update \\$SIAL](#)
- [FMC Corporation Analysis – September 2015 Update \\$FMC](#)
- [Eastman Chemical Company Analysis – September 2015 Update \\$EMN](#)
- [Ashland Inc. Analysis – Initial Coverage \\$ASH](#)
- [The Best Companies of the Chemicals Industry – August 2015](#)
- [LyondellBasell Industries Analysis – August 2015 Update \\$LYB](#)
- [Albemarle Corporation Analysis – Initial Coverage \\$ALB](#)
- [E I Du Pont de Nemours & Company Analysis – August 2015 Update \\$DD](#)