ModernGraham Valuation

Company Name:

Company Ticker WRK Date of Analysis

1/26/2016

WestRock Co



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	\$8,253,958,468	Pass
	2.	Sufficiently Strong Financial Condition	Current Ratio > 2	1.92	Fail
	3.	Earnings Stability	Positive EPS for 10 years prior		Pass
	4.	Dividend Record	Dividend Payments for 10 years prior		Pass
	5.	Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	89.52%	Pass
	6.	Moderate PEmg Ratio	PEmg < 20	9.79	Pass
	7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.73	Pass
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	1.92	Pass
	2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.78	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

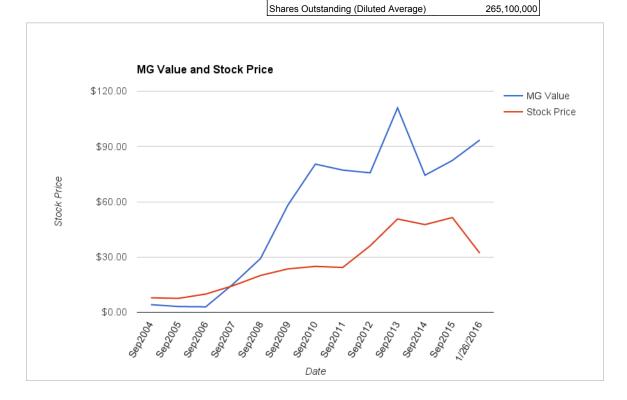
Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

-	EPSmg		\$3.28
	MG Growth Estimate	1	0.01%
	MG Value	\$	\$93.49
	MG Value based on 3% Growth	9	647.54
	MG Value based on 0% Growth	\$	\$27.87
	Market Implied Growth Rate		0.64%
MG Opinion			
	Current Price	9	\$32.08
	% of Intrinsic Value	3	4.31%
	Opinion	Undervalued	
Stage 3: Infor	mation for Further Research		
	Net Current Asset Value (NCAV)	-9	\$36.00
	Graham Number	9	\$56.96
	PEmg		9.79
	Current Ratio		1.92
	PB Ratio		0.73
	Dividend Yield	:	3.34%
	Number of Consecutive Years of Dividend Growth		4
Useful Links:	ModernGraham tagged articles	Morningstar	
Coordi Linko.	Google Finance	MSN Money	
	Yahoo Finance	Seeking Alpha	
	GuruFocus	SEC Filings	

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.18	Next Fiscal Year Estimate	\$3.28
Sep2015	\$2.93	Sep2015	\$3.17
Sep2014	\$3.29	Sep2014	\$3.14
Sep2013	\$4.98	Sep2013	\$2.97
Sep2012	\$1.73	Sep2012	\$1.97
Sep2011	\$1.39	Sep2011	\$2.00
Sep2010	\$2.85	Sep2010	\$2.09
Sep2009	\$2.86	Sep2009	\$1.51
Sep2008	\$1.07	Sep2008	\$0.76
Sep2007	\$1.04	Sep2007	\$0.56
Sep2006	\$0.39	Sep2006	\$0.33
Sep2005	\$0.25	Sep2005	\$0.31
Sep2004	\$0.25	Sep2004	\$0.32
Sep2003	\$0.42	Sep2003	\$0.34
Sep2002	\$0.39	Sep2002	\$0.32
Sep2001	\$0.46	Sep2001	\$0.30
Sep2000	-\$0.23	Sep2000	\$0.28
Sep1999	\$0.57	Balance Sheet Information	Sep2015
Sep1998	\$0.60	Total Current Assets	\$4,160,400,000
Sep1997	\$0.24	Total Current Liabilities	\$2,163,200,000
Sep1996	\$0.75	Long-Term Debt	\$5,558,300,000
		Total Assets	\$25,356,800,000
		Intangible Assets	\$9,246,700,000
		Total Liabilities	\$13,705,000,000





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.

Recommended Reading:

Other Oracham	10 Undervalued Companies for the Defensive Dividend Stock Investor – December 2015
ModernGraham posts about the	5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – November 2015
company	10 Undervalued Companies for the Defensive Dividend Stock Investor – November 2015
	15 Best Stocks For Value Investors This Week – 9/4/15
	WestRock Co. Analysis – Initial Coverage \$WRK
Other ModernGraham	International Paper Co Valuation – December 2015 Update \$IP
posts about relate	Bemis Company Inc. Analysis – September 2015 Update \$BMS
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	International Paper Company Analysis – September 2015 Update \$IP
	Ball Corporation Analysis – 2015 Update \$BLL
	Bemis Company Analysis – June 2015 Update \$BMS
	MeadWestvaco Corporation Analysis – June 2015 Quarterly Update \$MWV
	International Paper Stock Analysis – May 2015 Quarterly Update \$IP
	Sealed Air Corporation Annual Valuation – 2015 \$SEE
	Bemis Company Inc. Quarterly Valuation – March 2015 \$BMS