

# ModernGraham Valuation

## Company Name:

Company Ticker LYB

Date of Analysis

6/21/2016

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	\$33,487,956,451	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.32	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	-100.38%	Fail
5. Earnings Growth	PEmg < 20	9.30	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.39	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	2.32	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.45	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$8.48
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$326.61</b>
MG Value based on 3% Growth	\$123.01
MG Value based on 0% Growth	\$72.11
Market Implied Growth Rate	0.40%

### MG Opinion

Current Price	\$78.91
% of Intrinsic Value	24.16%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B</b>

## Stage 3: Information for Further Research

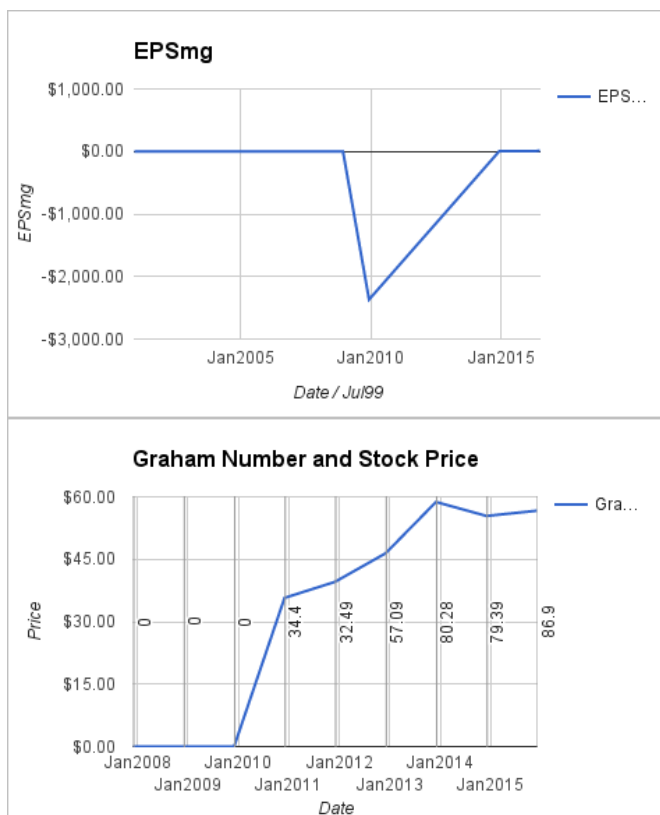
Net Current Asset Value (NCAV)	-\$15.94
Graham Number	\$55.68
PEmg	9.30
Current Ratio	2.32
PB Ratio	5.39
Current Dividend	\$3.12
Dividend Yield	3.95%
Number of Consecutive Years of Dividend Growth	6

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$9.30	Next Fiscal Year Estimate	\$8.48
Dec2015	\$9.59	Dec2015	\$7.58
Dec2014	\$7.99	Dec2014	\$6.13
Dec2013	\$6.75	Dec2013	-\$469.00
Dec2012	\$4.92	Dec2012	-\$944.17
Dec2011	\$3.74	Dec2011	-\$1,419.05
Dec2010	\$2.78	Dec2010	-\$1,893.79
Dec2009	-\$7,105.20	Dec2009	-\$2,368.40
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	<b>Balance Sheet Information 3/1/2016</b>	
Dec1998	\$0.00	Total Current Assets	\$10,324,000,000
Dec1997	\$0.00	Total Current Liabilities	\$4,441,000,000
Dec1996	\$0.00	Long-Term Debt	\$8,504,000,000
		Total Assets	\$23,572,000,000
		Intangible Assets	\$1,166,000,000
		Total Liabilities	\$17,228,000,000
		Shares Outstanding (Diluted Average)	433,000,000



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:

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[9 Best Stocks For Value Investors This Week – 11/28/15](#)  
[LyondellBasell Industries Valuation – November 2015 Update \\$LYB](#)

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