

ModernGraham Valuation

Company Name:

Owens-Illinois Inc

Company Ticker OI

Date of Analysis

6/23/2016



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	\$3,235,483,186	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.31	Fail
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	-78.68%	Fail
5. Earnings Growth	PEmg < 20	21.26	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	10.81	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	1.31	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	9.60	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.94
MG Growth Estimate	15.00%
MG Value	\$36.06
MG Value based on 3% Growth	\$13.58
MG Value based on 0% Growth	\$7.96
Market Implied Growth Rate	6.38%

MG Opinion

Current Price	\$19.91
% of Intrinsic Value	55.21%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$42.73
Graham Number	\$9.65
PEmg	21.26
Current Ratio	1.31
PB Ratio	10.81
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

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Google Finance	MSN Money
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.25	Next Fiscal Year Estimate	\$0.94
Dec2015	-\$0.47	Dec2015	\$0.13
Dec2014	\$0.45	Dec2014	\$0.23
Dec2013	\$1.11	Dec2013	\$0.07
Dec2012	\$1.11	Dec2012	-\$0.29
Dec2011	-\$3.11	Dec2011	-\$0.19
Dec2010	-\$0.29	Dec2010	\$1.50
Dec2009	\$0.95	Dec2009	\$2.02
Dec2008	\$1.52	Dec2008	\$2.16
Dec2007	\$7.99	Dec2007	\$1.54
Dec2006	-\$0.32	Dec2006	-\$1.99
Dec2005	-\$3.85	Dec2005	-\$2.57
Dec2004	\$1.43	Dec2004	-\$1.85
Dec2003	-\$6.89	Dec2003	-\$2.86
Dec2002	-\$3.29	Dec2002	-\$0.60
Dec2001	\$2.30	Dec2001	\$0.75
Dec2000	-\$2.00	Dec2000	\$0.20
Dec1999	\$1.78	Balance Sheet Information 3/1/2016	
Dec1998	\$0.62	Total Current Assets	\$2,476,000,000
Dec1997	\$1.24	Total Current Liabilities	\$1,886,000,000
Dec1996	\$1.58	Long-Term Debt	\$5,662,000,000
		Total Assets	\$9,688,000,000
		Intangible Assets	\$3,119,000,000
		Total Liabilities	\$9,390,000,000
		Shares Outstanding (Diluted Average)	161,793,000





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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