

ModernGraham Valuation

Company Name:

A Schulman Inc

Company Ticker SHLM

Date of Analysis

1/7/2017



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	\$1,006,945,699	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.68	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end		
5. Earnings Growth		-549.53%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-16.05	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.33	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	1.68	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.15	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$2.14
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$31.07
MG Value based on 0% Growth	-\$18.21
Market Implied Growth Rate	-12.28%

MG Opinion

Current Price	\$34.40
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$29.84
Graham Number	\$15.95
PEmg	-16.05
Current Ratio	1.68
PB Ratio	6.33
Current Dividend	\$0.82
Dividend Yield	2.38%
Number of Consecutive Years of Dividend Growth	0

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		Next Fiscal Year Estimate	
	\$2.09		-\$2.14
Aug2016	-\$12.44	Aug2016	-\$3.31
Aug2015	\$0.82	Aug2015	\$1.28
Aug2014	\$1.91	Aug2014	\$1.50
Aug2013	\$0.89	Aug2013	\$1.22
Aug2012	\$1.72	Aug2012	\$1.27
Aug2011	\$1.32	Aug2011	\$0.98
Aug2010	\$1.57	Aug2010	\$0.81
Aug2009	-\$0.11	Aug2009	\$0.51
Aug2008	\$0.66	Aug2008	\$0.85
Aug2007	\$0.82	Aug2007	\$0.92
Aug2006	\$1.07	Aug2006	\$0.96
Aug2005	\$1.03	Aug2005	\$0.86
Aug2004	\$0.91	Aug2004	\$0.80
Aug2003	\$0.53	Aug2003	\$0.82
Aug2002	\$1.08	Aug2002	\$1.02
Aug2001	\$0.43	Aug2001	\$1.06
Aug2000	\$1.25	Balance Sheet Information 8/1/2016	
Aug1999	\$1.51	Total Current Assets	\$724,069,000
Aug1998	\$1.42	Total Current Liabilities	\$429,765,000
Aug1997	\$1.37	Long-Term Debt	\$925,864,000
		Total Assets	\$1,757,681,000
		Intangible Assets	\$620,387,000
		Total Liabilities	\$1,598,412,000
		Shares Outstanding (Diluted Average)	29,300,000





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
ModernGraham
posts about the
company

#N/A

Other
ModernGraham
posts about related
companies

[Innophos Holdings Inc Valuation – Initial Coverage \\$IPHS](#)
[Innospec Inc Valuation – Initial Coverage \\$IOSP](#)
[Chemtrade Logistics Income Fund Valuation – Initial Coverage \\$TSE:CHE.UN](#)
[Albemarle Corporation Valuation – August 2016 \\$ALB](#)
[Air Products & Chemicals Inc Valuation – August 2016 \\$APD](#)
[Ashland Inc Valuation – July 2016 \\$ASH](#)
[FMC Corporation Valuation – July 2016 \\$FMC](#)
[Eastman Chemical Company Valuation – July 2016 \\$EMN](#)
[Dow Chemical Co Valuation – July 2016 \\$DOW](#)
[Olin Corporation Valuation – June 2016 \\$OLN](#)