# **ModernGraham Valuation**

# **Company Name:**

A Schulman Inc

Company Ticker Date of Analysis SHLM

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.

<ol> <li>Adequate Size of the Enterprise</li> </ol>	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	540 50% F II

5. Earnings Growth beginning and end -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 ConditionCurrent Ratio > 1.51.68 Pass2. Sufficiently Strong Financial ConditionDebt to NCA < 1.1</td>3.15 Fail3. Earnings StabilityPositive EPS for 5 years priorFail4. Dividend RecordCurrently Pays DividendPass5. Earnings GrowthEPSmg greater than 5 years agoFail

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

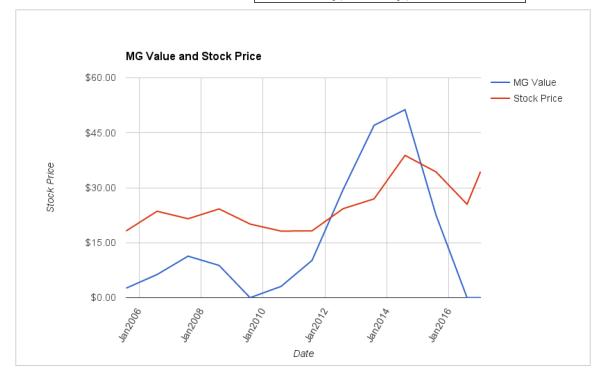
 Useful Links:
 ModernGraham tagged articles
 Morningstar

 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Fillings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	• • • •	Next Fiscal Year Estimate	-\$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