

ModernGraham Valuation

Company Name:

Company Ticker TSE:ITP

Date of Analysis

1/11/2017

Intertape Polymer
Group



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	\$1,390,351,512	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.69	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	-247.65%	Fail
5. Earnings Growth	PEmg < 20	20.32	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.78	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	2.69	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.34	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
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.17
MG Growth Estimate	15.00%
MG Value	\$45.21
MG Value based on 3% Growth	\$17.03
MG Value based on 0% Growth	\$9.98
Market Implied Growth Rate	5.91%

MG Opinion

Current Price	\$23.86
% of Intrinsic Value	52.78%
Opinion	Undervalued
MG Grade	B

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$1.93
Graham Number	\$13.53
PEmg	20.32
Current Ratio	2.69
PB Ratio	4.78
Current Dividend	\$0.70
Dividend Yield	2.94%
Number of Consecutive Years of Dividend Growth	5

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	
	\$1.57		\$1.17
Dec2015	\$1.28	Dec2015	\$0.89
Dec2014	\$0.67	Dec2014	\$0.56
Dec2013	\$1.16	Dec2013	\$0.37
Dec2012	\$0.34	Dec2012	-\$0.18
Dec2011	\$0.12	Dec2011	-\$0.50
Dec2010	-\$0.83	Dec2010	-\$1.07
Dec2009	-\$0.25	Dec2009	-\$1.21
Dec2008	-\$1.94	Dec2008	-\$1.51
Dec2007	-\$0.19	Dec2007	-\$1.07
Dec2006	-\$4.69	Dec2006	-\$1.38
Dec2005	\$0.78	Dec2005	\$0.09
Dec2004	\$0.33	Dec2004	-\$0.21
Dec2003	\$0.66	Dec2003	-\$0.34
Dec2002	-\$2.59	Dec2002	-\$0.52
Dec2001	-\$0.68	Dec2001	\$0.59
Dec2000	\$1.77	Dec2000	\$1.18
Dec1999	\$0.43	Balance Sheet Information 9/1/2016	
Dec1998	\$1.70	Total Current Assets	\$311,077,000
Dec1997	\$0.50	Total Current Liabilities	\$115,660,000
Dec1996	\$1.11	Long-Term Debt	\$262,365,000
		Total Assets	\$732,709,000
		Intangible Assets	\$73,898,000
		Total Liabilities	\$428,633,000
		Shares Outstanding (Diluted Average)	60,871,000





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

[WestRock Co Valuation – August 2016 \\$WRK](#)
[Bemis Company Inc Valuation – July 2016 \\$BMS](#)
[Owens-Illinois Inc Valuation – June 2016 \\$OI](#)
[Bemis Co Inc Valuation – January 2016 Update \\$BMS](#)
[WestRock Co Valuation – January 2016 Update \\$WRK](#)
[International Paper Co Valuation – December 2015 Update \\$IP](#)
[Bemis Company Inc. Analysis – September 2015 Update \\$BMS](#)
[WestRock Co. Analysis – Initial Coverage \\$WRK](#)
[International Paper Company Analysis – September 2015 Update \\$IP](#)
[Ball Corporation Analysis – 2015 Update \\$BLL](#)