

# ModernGraham Valuation

Company Name:

Newell Brands Inc

Company Ticker NWL

Date of Analysis

2/9/2017



## 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	\$22,678,518,679	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.74	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	209.71%	Pass
5. Earnings Growth	PEmg < 20	25.19	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.97	Pass
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	1.74	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.54	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.84
MG Growth Estimate	8.28%
<b>MG Value</b>	<b>\$46.13</b>
MG Value based on 3% Growth	\$26.68
MG Value based on 0% Growth	\$15.64
Market Implied Growth Rate	8.35%

### MG Opinion

Current Price	\$46.35
% of Intrinsic Value	100.48%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>C+</b>

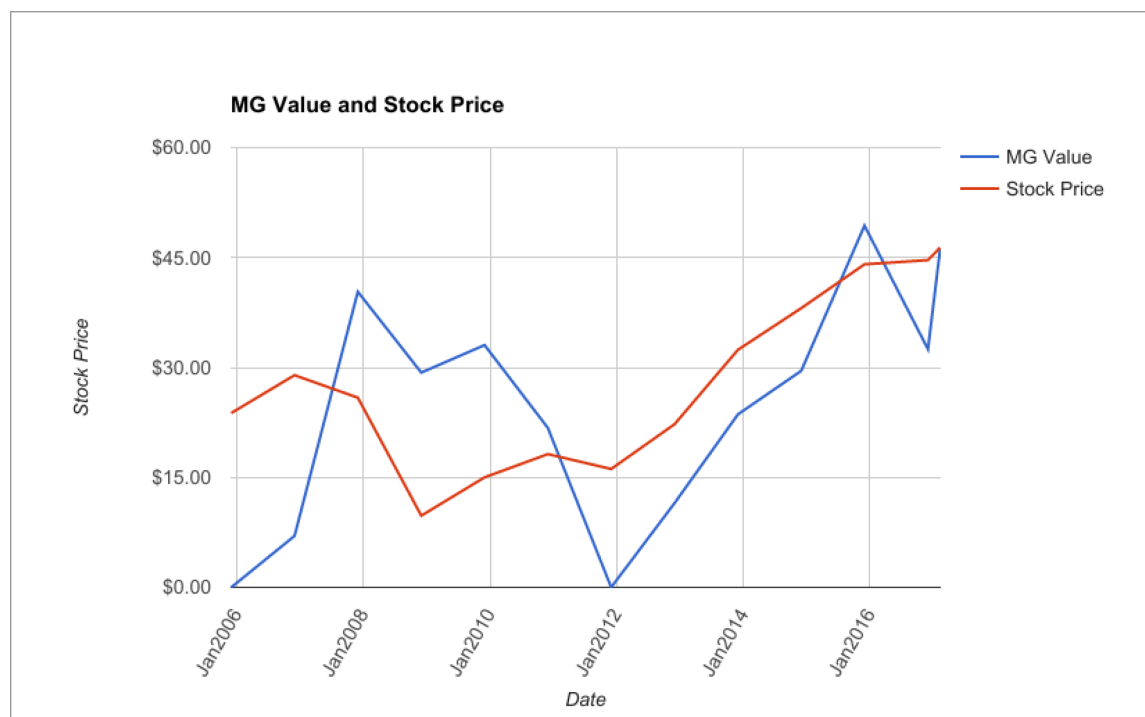
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$30.88
Graham Number	\$39.15
PEmg	25.19
Current Ratio	1.74
PB Ratio	1.97
Current Dividend	\$0.76
Dividend Yield	1.64%
Number of Consecutive Years of Dividend Growth	0

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<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$2.88		\$1.84
Dec2016	\$1.25	Dec2016	\$1.34
Dec2015	\$1.29	Dec2015	\$1.33
Dec2014	\$1.35	Dec2014	\$1.28
Dec2013	\$1.63	Dec2013	\$1.19
Dec2012	\$1.37	Dec2012	\$0.88
Dec2011	\$0.42	Dec2011	\$0.68
Dec2010	\$0.96	Dec2010	\$0.86
Dec2009	\$0.97	Dec2009	\$0.86
Dec2008	-\$0.18	Dec2008	\$0.76
Dec2007	\$1.68	Dec2007	\$1.05
Dec2006	\$1.40	Dec2006	\$0.55
Dec2005	\$0.91	Dec2005	\$0.12
Dec2004	-\$0.42	Dec2004	-\$0.10
Dec2003	-\$0.17	Dec2003	\$0.17
Dec2002	-\$0.76	Dec2002	\$0.48
Dec2001	\$0.99	Dec2001	\$1.12
Dec2000	\$1.57	<b>Balance Sheet Information 12/1/2016</b>	
Dec1999	\$0.34	Total Current Assets	\$7,484,500,000
Dec1998	\$1.70	Total Current Liabilities	\$4,292,000,000
Dec1997	\$1.14	Long-Term Debt	\$11,290,900,000
		Total Assets	\$33,898,400,000
		Intangible Assets	\$24,391,600,000
		Total Liabilities	\$22,488,700,000
		Shares Outstanding (Diluted Average)	485,900,000





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

[Newell Rubbermaid Inc. Valuation – October 2015 Update \\$NWL](#)  
[28 Companies in the Spotlight This Week – 11/1/14](#)  
[Newell Rubbermaid Inc. Annual Valuation – 2014 \\$NWL](#)

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[Select Comfort Corp Valuation – Initial Coverage \\$SCSS](#)  
[Leggett & Platt Inc Valuation – August 2016 \\$LEG](#)  
[National Presto Industries Inc Valuation – July 2016 \\$NPK](#)  
[Leggett & Platt Inc Stock Valuation – February 2016 \\$LEG](#)  
[National Presto Industries Valuation – January 2016 Update \\$NPK](#)  
[Newell Rubbermaid Inc. Valuation – October 2015 Update \\$NWL](#)  
[National Presto Industries Inc. Valuation – October 2015 Update \\$NPK](#)  
[Clorox Company Analysis – September 2015 Update \\$CLX](#)  
[National Presto Industries Analysis – July 2015 Update \\$NPK](#)