ModernGraham Valuation

Company Name:

PolyOne Corporation



POL Company Ticker

Date of Analysis 9/4/2017

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	\$3,005,021,133 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.08 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	
5. Earnings Growth	beginning and end	-516.67% Fail
Moderate PEmg Ratio	PEmg < 20	39.31 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.44 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	2.08	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.35	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

\$36.74

Score

Suitability

MG Opinion

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.93
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$13.55
MG Value based on 0% Growth	\$7.94
Market Implied Growth Rate	15.40%

Current Price

% of Intrinsic Value N/A

Opinion Overvalued MG Grade

Stage 3: Information for Further Research

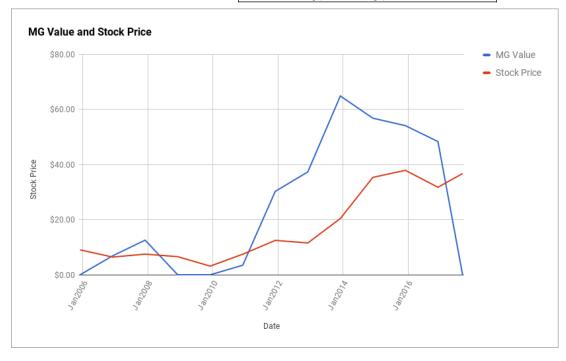
Net Current Asset Value (NCAV)	-\$12.36
Graham Number	\$0.00
PEmg	39.31
Current Ratio	2.08
PB Ratio	5.44
Current Dividend	\$0.50
Dividend Yield	1.35%
Number of Consecutive Years of Dividend	
Growth	6

Morningstar

Useful Links: ModernGraham tagged articles

> Google Finance MSN Money Yahoo Finance Seeking Alpha <u>GuruFocus</u> SEC Filings

EPS History		EPSmg History	
Next Fiscal Year		l <u>_</u>	
Estimate	• • • • • • • • • • • • • • • • • • • •	Next Fiscal Year Estimate	\$0.93
Dec2016	\$1.95	Dec2016	\$1.65
Dec2015	\$1.63	Dec2015	\$1.51
Dec2014	\$0.85	Dec2014	\$1.48
Dec2013	\$2.53	Dec2013	\$1.69
Dec2012	\$0.80	Dec2012	\$0.97
Dec2011	\$1.84	Dec2011	\$0.79
Dec2010	\$1.69	Dec2010	\$0.22
Dec2009	\$0.53	Dec2009	-\$0.37
Dec2008	-\$2.94	Dec2008	-\$0.60
Dec2007	\$0.12	Dec2007	\$0.33
Dec2006	\$1.33	Dec2006	\$0.18
Dec2005	\$0.51	Dec2005	-\$0.50
Dec2004	\$0.26	Dec2004	-\$0.91
Dec2003	-\$3.07	Dec2003	-\$1.12
Dec2002	-\$0.65	Dec2002	-\$0.01
Dec2001	-\$0.51	Dec2001	\$0.33
Dec2000	\$0.26	Balance Sheet Information	6/1/2017
Dec1999	\$2.15	Total Current Assets	\$1,135,300,000
Dec1998	\$0.00	Total Current Liabilities	\$546,200,000
Dec1997	\$0.00	Long-Term Debt	\$1,382,500,000
		Total Assets	\$2,712,600,000
		Intangible Assets	\$1,001,900,000
		Total Liabilities	\$2,155,300,000
		Shares Outstanding (Diluted Average)	82,500,000





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 <u>Ingevity Corp Valuation – Initial Coverage \$NGVT</u>

Praxair Inc Valuation - August 2017 \$PX

Albemarle Corp Valuation - March 2017 \$ALB

<u>Sensient Technologies Corp Valuation – Initial Coverage \$SXT</u>

Quaker Chemical Corp Valuation - Initial Coverage \$KWR

Kraton Corp Valuation - Initial Coverage \$KRA

Koppers Holdings Inc Valuation - Initial Coverage \$KOP

Air Products & Chemicals Inc Valuation – January 2017 \$APD

Compass Minerals International Inc Valuation – Initial Coverage \$CMP

A Schulman Inc Valuation - Initial Coverage \$SHLM