

ModernGraham Valuation

Company Name:

Newell Brands Inc

Company Ticker NWL

Date of Analysis

3/11/2018



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	\$13,389,529,856	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.41	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	304.26%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	9.46	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.94	Pass

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	1.41	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.62	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 Score		Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.89
MG Growth Estimate	15.00%
MG Value	\$111.14
MG Value based on 3% Growth	\$41.86
MG Value based on 0% Growth	\$24.54
Market Implied Growth Rate	0.48%

MG Opinion

Current Price	\$27.32
% of Intrinsic Value	24.58%
Opinion	Undervalued
MG Grade	A

Stage 3: Information for Further Research

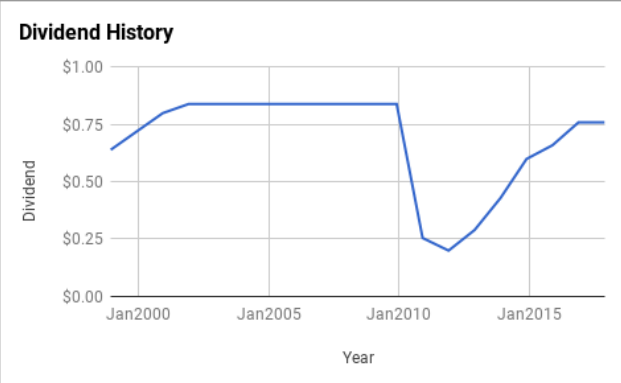
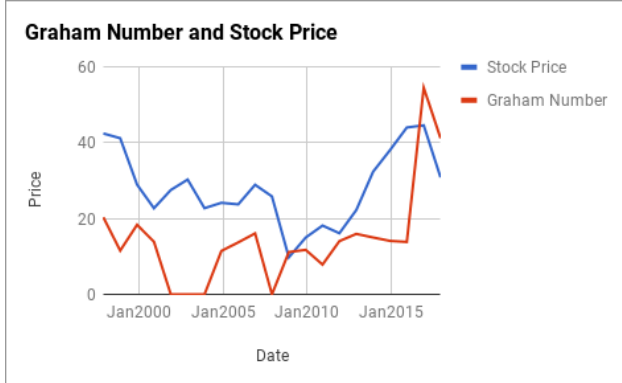
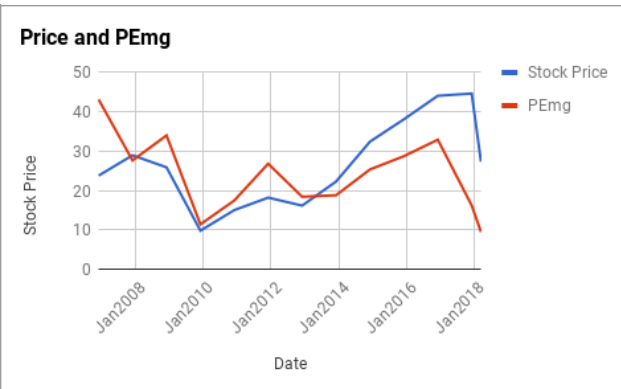
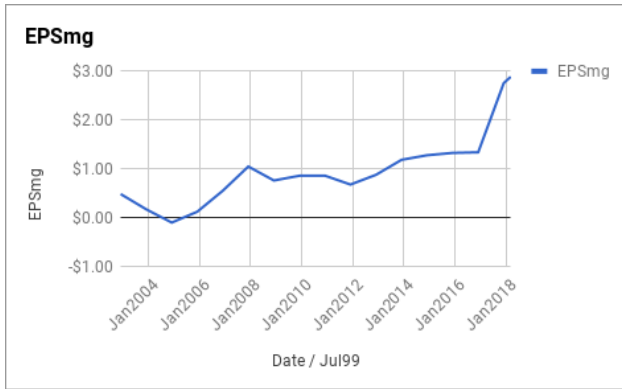
Net Current Asset Value (NCAV)	-\$26.44
Graham Number	\$41.25
PEmg	9.46
Current Ratio	1.41
PB Ratio	0.94
Current Dividend	\$0.88
Dividend Yield	3.22%
Number of Consecutive Years of Dividend Growth	1

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	\$2.62	Next Fiscal Year Estimate	\$2.89
Dec2017	\$5.63	Dec2017	\$2.76
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	Balance Sheet Information 12/1/2017	
Dec2000	\$1.57	Total Current Assets	\$6,078,000,000
Dec1999	\$0.34	Total Current Liabilities	\$4,316,800,000
Dec1998	\$1.70	Long-Term Debt	\$9,889,600,000
		Total Assets	\$33,135,500,000
		Intangible Assets	\$24,796,100,000
		Total Liabilities	\$18,990,800,000
		Shares Outstanding (Diluted Average)	488,300,000





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

- [14 Best Stocks for Value Investors This Week – 2/11/17](#)
- [Newell Brands Inc Valuation – February 2017 \\$NWL](#)
- [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](#)

Other ModernGraham posts about related companies

- [La-Z-Boy Inc Valuation – Initial Coverage \\$LZB](#)
- [Tupperware Brands Corp Valuation – Initial Coverage \\$TUP](#)
- [Leggett & Platt Inc Valuation – March 2017 \\$LEG](#)
- [Newell Brands Inc Valuation – February 2017 \\$NWL](#)
- [Clorox Company Valuation – January 2017 \\$CLX](#)
- [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](#)