ModernGraham Valuation

Company Name:

Packaging Corp Of America



Company Ticker

Date of Analysis 3/30/2018

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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$10,633,221,383 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.30 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	208.75% Pass
Moderate PEmg Ratio	PEmg < 20	18.45 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.84 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

 Sufficiently Strong Financial Condition 	Current Ratio > 1.5	2.30 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.29 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 Yes Yes Enterprising

Stage 2: Determination of Intrinsic Value

EPSmg	\$6.11
MG Growth Estimate	13.57%
MG Value	\$217.72
MG Value based on 3% Growth	\$88.56
MG Value based on 0% Growth	\$51.91
Market Implied Growth Rate	4.98%

MG Opinion

A. 1. 1	Hardward and
% of Intrinsic Value	51.76%
Current Price	\$112.70

MG Grade B+

Stage 3: Information for Further Research

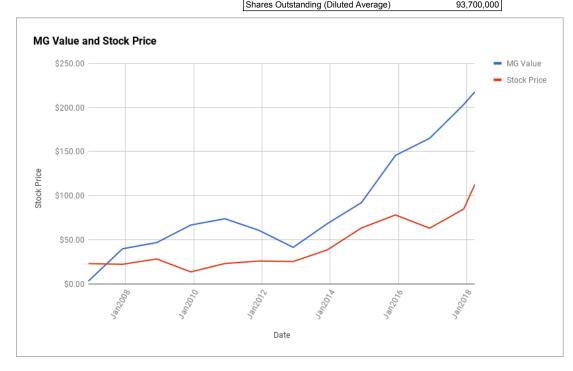
Net Current Asset Value (NCAV)	-\$22.41
Graham Number	\$61.36
PEmg	18.45
Current Ratio	2.30
PB Ratio	4.84
Current Dividend	\$2.52
Dividend Yield	2.24%
Number of Consecutive Years of Dividend	
Growth	7

Morningstar

Useful Links: ModernGraham tagged articles

Google Finance MSN Money Yahoo Finance Seeking Alpha **GuruFocus SEC Filings**

EPS History		EPSmg History	
Next Fiscal Year Estimate	¢7 22	Next Fiscal Year Estimate	\$6.11
	•		
Dec2017	\$7.07	Dec2017	\$5.35
Dec2016	\$4.75		\$4.29
Dec2015	\$4.47		\$3.78
Dec2014	\$3.99	Dec2014	\$3.2
Dec2013	\$4.52	Dec2013	\$2.70
Dec2012	\$1.64	Dec2012	\$1.80
Dec2011	\$1.57	Dec2011	\$1.86
Dec2010	\$2.00	Dec2010	\$1.92
Dec2009	\$2.60	Dec2009	\$1.73
Dec2008	\$1.31	Dec2008	\$1.2
Dec2007	\$1.61	Dec2007	\$1.03
Dec2006	\$1.20	Dec2006	\$0.67
Dec2005	\$0.49	Dec2005	\$0.43
Dec2004	\$0.64	Dec2004	\$0.49
Dec2003	-\$0.14	Dec2003	\$0.47
Dec2002	\$0.45	Dec2002	\$0.77
Dec2001	\$0.98	Balance Sheet Information	12/1/2017
Dec2000	\$1.33	Total Current Assets	\$1,915,100,000
Dec1999	\$0.32	Total Current Liabilities	\$832,700,000
Dec1998	\$0.76	Long-Term Debt	\$2,480,400,000
	·	Total Assets	\$6,197,500,000
		Intangible Assets	\$1,293,200,000
		Total Liabilities	\$4,014,900,000
		Shares Outstanding (Diluted Average)	93,700,000





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

AptarGroup Inc Valuation – Initial Coverage \$ATR Tredegar Corp Valuation – Initial Coverage \$TG International Paper Co Valuation – March 2017 \$IP

Schweitzer-Mauduit International Inc Valuation – Initial Coverage \$SWM

KapStone Paper and Packaging Corp Valuation – Initial Coverage \$KS

Sonoco Products Co Valuation - Initial Coverage \$SON

Silgan Holdings Inc Valuation – Initial Coverage \$SLGN

Clearwater Paper Corp Valuation - Initial Coverage \$CLW

Intertape Polymer Group Valuation - Initial Coverage \$TSE:ITP

Ball Corporation Valuation - December 2016 \$BLL