# **ModernGraham Valuation**

## Company Name:

Company Ticker PM Date of Analysis Philip Morris International Inc.



### Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

3/18/2018

Defensive Investor; must pass 6 out of the following 7 tests.

1	. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$160,697,198,588	Pass	
2	. Sufficiently Strong Financial Condition	Current Ratio > 2	1.35	Fail	
3	. Earnings Stability	Positive EPS for 10 years prior		Pass	
4	. Dividend Record	Dividend Payments for 10 years prior		Pass	
5	. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	12.41%	Fail	
6	. Moderate PEmg Ratio	PEmg < 20	22.74	Fail	
7	. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-13.29	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	1.35	Fail	
2	. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.56	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		Fail	
		Score			
Suitability					
D	Defensive	No			

No

# Enterprising Stage 2: Determination of Intrinsic Value

0			
	EPSmg		\$4.55
	MG Growth Estimate		-1.16%
	MG Value		\$28.14
	MG Value based on 3% Growth		\$65.98
	MG Value based on 0% Growth		\$38.68
	Market Implied Growth Rate		7.12%
MG Opinion			
	Current Price		\$103.46
	% of Intrinsic Value		367.63%
	Opinion	Overvalued	
	MG Grade	D+	

### Stage 3: Information for Further Research

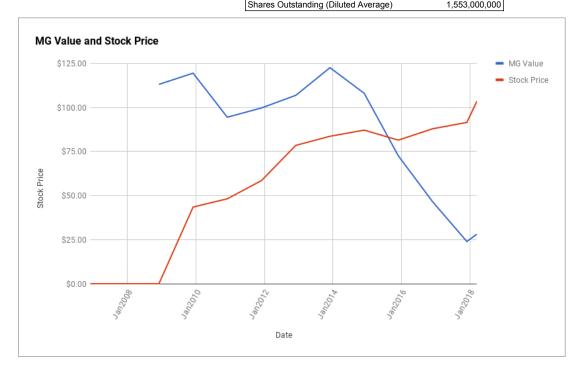
Net Current Asset Value (NCAV)	-\$21.55
Graham Number	\$0.00
PEmg	22.74
Current Ratio	1.35
PB Ratio	-13.29
Current Dividend	\$4.22
Dividend Yield	4.08%
Number of Consecutive Years of Dividend	
Growth	10

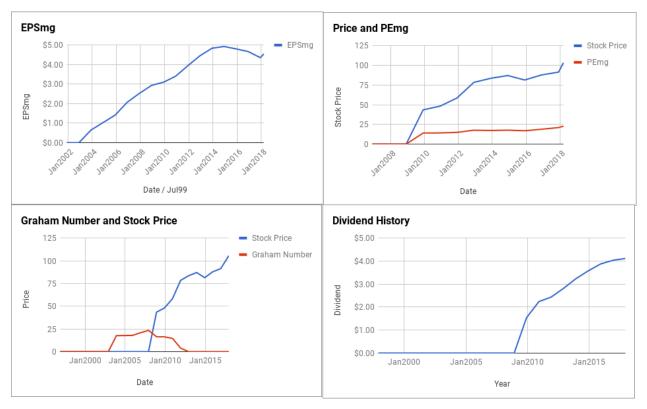
Useful Links:

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Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$5.14	Next Fiscal Year Estimate	\$4.55
Dec2017	\$3.88	Dec2017	\$4.36
Dec2016	\$4.48	Dec2016	\$4.67
Dec2015	\$4.42	Dec2015	\$4.8
Dec2014	\$4.76	Dec2014	\$4.93
Dec2013	\$5.26	Dec2013	\$4.84
Dec2012	\$5.17	Dec2012	\$4.45
Dec2011	\$4.85	Dec2011	\$3.94
Dec2010	\$3.92	Dec2010	\$3.4
Dec2009	\$3.24	Dec2009	\$3.10
Dec2008	\$3.31	Dec2008	\$2.9
Dec2007	\$2.86	Dec2007	\$2.5
Dec2006	\$2.91	Dec2006	\$2.08
Dec2005	\$2.69	Dec2005	\$1.4
Dec2003	\$1.95	Dec2003	\$0.6
Dec2002	\$0.00	Dec2002	\$0.0
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information	12/1/2017
Dec1999	\$0.00	Total Current Assets	\$21,594,000,000
Dec1998	\$0.00	Total Current Liabilities	\$15,962,000,000
Dec1997	\$0.00	Long-Term Debt	\$31,334,000,000
		Total Assets	\$42,968,000,000
		Intangible Assets	\$10,098,000,000
		Total Liabilities	\$55,054,000,000
		Shares Outstanding (Diluted Average)	1,553,000,00





#### 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	21 Companies in the Spotlight This Week – 5/9/15
ModernGraham posts about the	Philip Morris International Annual Valuation – 2015 \$PM
company	16 Companies in the Spotlight This Week - 4/26/14
	Philip Morris International (PM) Annual Valuation – 2014
	14 Companies in the Spotlight This Week - 1/25/14

Other ModernGraham posts about related companies

Altria Group Inc Valuation – March 2018 \$MO Molson Coors Brewing Co Valuation – March 2018 \$TAP Molson Coors Brewing Co Valuation – Initial Coverage \$TAP Constellation Brands Inc Valuation – February 2017 \$STZ Brown-Forman Corporation – February 2017 \$BF.B Boston Beer Company Inc Valuation – Initial Coverage \$SAM Constellation Brands Inc Valuation – August 2016 \$STZ Reynolds American Inc Valuation – July 2016 \$RAI Philip Morris International Inc Valuation – June 2016 \$PM Altria Group Inc Valuation – June 2016 \$MO