

ModernGraham Valuation

Company Name:

A Schulman Inc

Company Ticker SHLM

Date of Analysis

3/8/2018



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	\$1,274,458,170	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.61	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	-441.01%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	-32.68	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.23	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	1.61	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.70	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$1.32
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$19.17
MG Value based on 0% Growth	-\$11.24
Market Implied Growth Rate	-20.59%

MG Opinion

Current Price	\$43.20
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

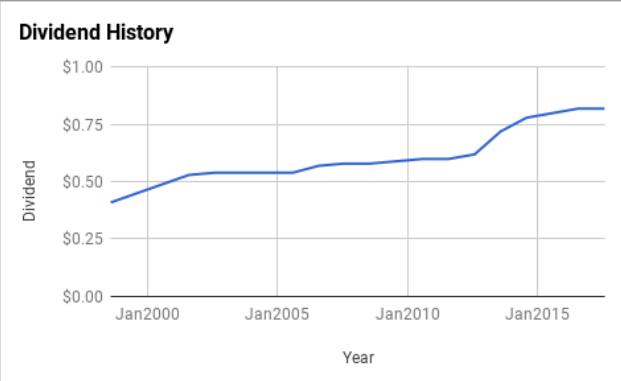
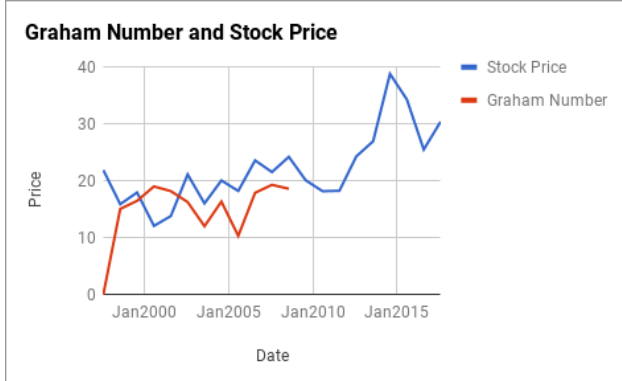
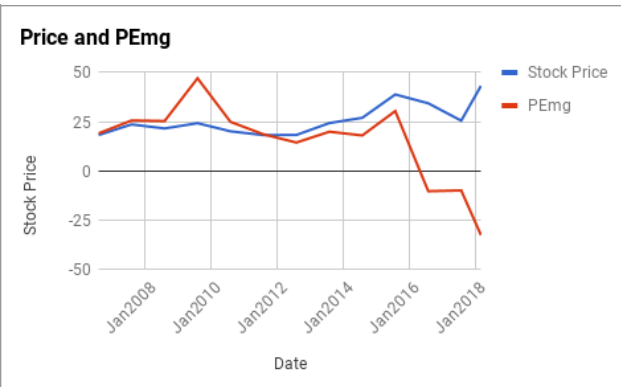
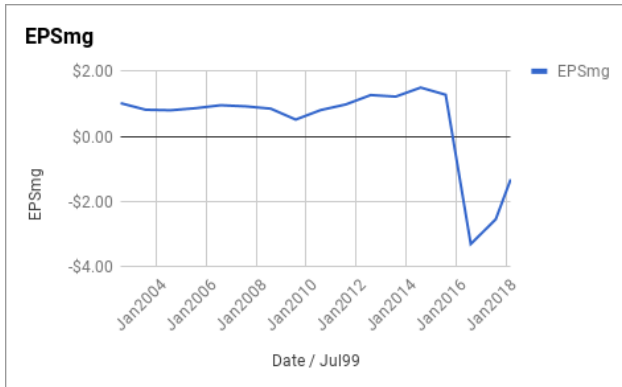
Net Current Asset Value (NCAV)	-\$25.41
Graham Number	\$17.77
PEmg	-32.68
Current Ratio	1.61
PB Ratio	6.23
Current Dividend	\$0.82
Dividend Yield	1.90%
Number of Consecutive Years of Dividend Growth	0

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	\$2.10	Next Fiscal Year Estimate	-\$1.32
Aug2017	\$0.86	Aug2017	-\$2.55
Aug2016	-\$12.44	Aug2016	-\$3.31
Aug2015	\$0.82	Aug2015	\$1.28
Aug2014	\$1.91	Aug2014	\$1.50
Aug2013	\$0.89	Aug2013	\$1.22
Aug2012	\$1.72	Aug2012	\$1.27
Aug2011	\$1.32	Aug2011	\$0.98
Aug2010	\$1.57	Aug2010	\$0.81
Aug2009	-\$0.11	Aug2009	\$0.51
Aug2008	\$0.66	Aug2008	\$0.85
Aug2007	\$0.82	Aug2007	\$0.92
Aug2006	\$1.07	Aug2006	\$0.96
Aug2005	\$1.03	Aug2005	\$0.86
Aug2004	\$0.91	Aug2004	\$0.80
Aug2003	\$0.53	Aug2003	\$0.82
Aug2002	\$1.08	Aug2002	\$1.02
Aug2001	\$0.43	Balance Sheet Information 11/1/2017	
Aug2000	\$1.25	Total Current Assets	\$847,254,000
Aug1999	\$1.51	Total Current Liabilities	\$527,458,000
Aug1998	\$1.42	Long-Term Debt	\$862,703,000
		Total Assets	\$1,806,025,000
		Intangible Assets	\$588,460,000
		Total Liabilities	\$1,600,529,000
		Shares Outstanding (Diluted Average)	29,643,000





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
[5 of the Worst Stocks to Invest In – January 2017](#)
[A Schulman Inc Valuation – Initial Coverage \\$SHLM](#)

Other ModernGraham posts about related companies
[Sensient Technologies Corp Valuation – March 2018 \\$SXT](#)
[Albemarle Corp Valuation – March 2018 \\$ALB](#)
[Praxair Inc Valuation – March 2018 \\$PX](#)
[Ingevity Corp Valuation – March 2018 \\$NGVT](#)
[PolyOne Corp Valuation – March 2018 \\$POL](#)
[Green Plains Inc Valuation – March 2018 \\$GPRI](#)
[Eastman Chemical Co Valuation – March 2018 \\$EMN](#)
[LyondellBasell Industries NV Valuation – March 2018 \\$LYB](#)
[DowDuPont Inc Valuation – February 2018 \\$DWD](#)
[Green Plains Inc Valuation – Initial Coverage \\$GPRI](#)