# **ModernGraham Valuation**

## **Company Name:**

Company Ticker

Sherwin-Williams Co



10.08 Fail

Date of Analysis 3/27/2018

7. Moderate Price to Assets

### 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.

SHW

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$36,725,256,088 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.12 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	
5. Earnings Growth	beginning and end	304.62% Pass
6. Moderate PEmg Ratio	PEmg < 20	25.07 Fail

PB Ratio < 2.5 OR PB\*PEmg < 50

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	1.12 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	20.65 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 No Enterprising No

#### Stage 2: Determination of Intrinsic Value

EPSmg	\$15.59
MG Growth Estimate	15.00%
MG Value	\$600.14
MG Value based on 3% Growth	\$226.03
MG Value based on 0% Growth	\$132.50
Market Implied Growth Rate	8.28%

MG Opinion

**Current Price** \$390.72 % of Intrinsic Value 65.11%

Opinion Undervalued MG Grade

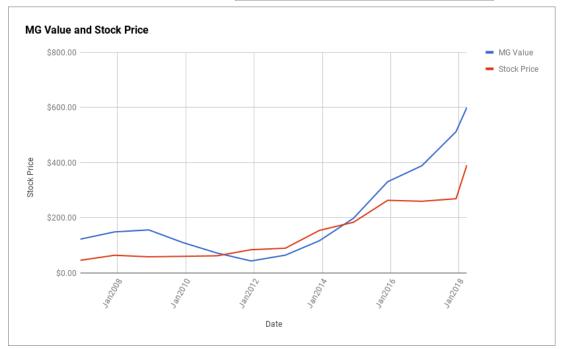
### Stage 3: Information for Further Research

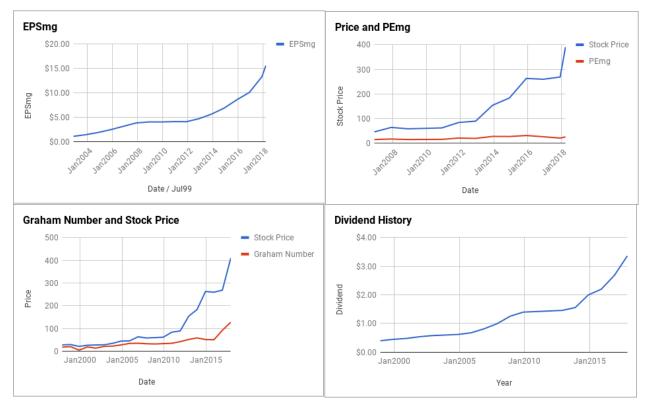
Net Current Asset Value (NCAV)	-\$123.88
Graham Number	\$127.67
PEmg	25.07
Current Ratio	1.12
PB Ratio	10.08
Current Dividend	\$3.40
Dividend Yield	0.87%
Number of Consecutive Years of Dividend	
Growth	20

**Useful Links:** ModernGraham tagged articles

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

EPS History		EPSmg History	
Next Fiscal Year		l <u>.</u> <u>.</u>	
Estimate	•	Next Fiscal Year Estimate	\$15.59
Dec2017	\$18.67	Dec2017	\$13.30
Dec2016	\$11.99	Dec2016	\$10.09
Dec2015	\$11.15	Dec2015	\$8.59
Dec2014	\$8.77	Dec2014	\$6.90
Dec2013	\$7.26	Dec2013	\$5.67
Dec2012	\$6.02	Dec2012	\$4.72
Dec2011	\$4.14	Dec2011	\$4.11
Dec2010	\$4.21	Dec2010	\$4.12
Dec2009	\$3.78	Dec2009	\$4.04
Dec2008	\$4.00	Dec2008	\$4.04
Dec2007	\$4.70	Dec2007	\$3.85
Dec2006	\$4.19	Dec2006	\$3.17
Dec2005	\$3.28	Dec2005	\$2.49
Dec2004	\$2.72	Dec2004	\$1.91
Dec2003	\$2.26	Dec2003	\$1.45
Dec2002	\$0.84	Dec2002	\$1.09
Dec2001	\$1.68	Balance Sheet Information	12/1/2017
Dec2000	\$0.10	Total Current Assets	\$4,465,840,000
Dec1999	\$1.80	Total Current Liabilities	\$3,987,180,000
Dec1998	\$1.57	Long-Term Debt	\$9,885,745,000
		Total Assets	\$19,958,427,000
		Intangible Assets	\$12,816,706,000
		Total Liabilities	\$16,266,239,000
		Shares Outstanding (Diluted Average)	95,256,000





#### 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 47 Companies in the Spotlight This Week – 5/16/15 Sherwin Williams Company Annual Valuation – 2015 \$SHW 16 Companies in the Spotlight This Week – 5/24/14 Sherwin-Williams Company 2014 Annual Valuation \$SHW

Other ModernGraham posts about related companies

Corning Inc Valuation – February 2018 \$GLW

Home Depot Inc Valuation – February 2018 \$HD

Caterpillar Inc Valuation – February 2018 \$CAT

Eagle Materials Inc Valuation – Initial Coverage \$EXP

Louisiana-Pacific Corp Valuation – Initial Coverage \$LPX

Lowe's Companies Inc Valuation – March 2017 \$LOW

Flowserve Corp Valuation - February 2018 \$FLS

<u>Cavco Industries Inc Valuation – Initial Coverage \$CVCO</u> <u>LGI Homes Inc Valuation – Initial Coverage \$LGIH</u>

Fortune Brands Home & Security Inc Valuation - Initial Coverage \$FBHS