# **ModernGraham Valuation**

# **Company Name:**

Company Ticker PPG Date of Analysis

PPG Industries, Inc.





## 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	\$26,168,920,350	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	1.77	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	129.12%	Pass
6.	Moderate PEmg Ratio	PEmg < 20	19.33	Pass
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-6.91	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. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.77 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.69 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

Defensive	No
Enterprising	No

#### Stage 2: Determination of Intrinsic Value

	EPSmg		\$5.50
	MG Growth Estimate		-2.66%
	MG Value		\$17.47
	MG Value based on 3% Growth		\$79.82
	MG Value based on 0% Growth		\$46.79
	Market Implied Growth Rate		5.41%
MG Opinion			
	Current Price		\$106.40
	% of Intrinsic Value		609.07%
	Opinion	Overvalued	
	MG Grade	C-	

#### Stage 3: Information for Further Research

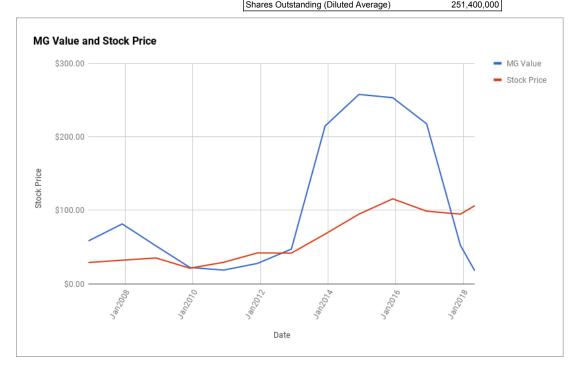
Net Current Asset Value (NCAV)	-\$15.40
Graham Number	\$54.88
PEmg	19.33
Current Ratio	1.77
PB Ratio	-6.91
Current Dividend	\$1.70
Dividend Yield	1.60%
Number of Consecutive Years of Dividend	
Growth	20

Useful Links:

ModernGraham tagged articles Google Finance Yahoo Finance <u>GuruFocus</u>

Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$6.05	Next Fiscal Year Estimate	\$5.50
Dec2017	\$6.17	Dec2017	\$5.70
Dec2016	\$3.28	Dec2016	\$5.65
Dec2015	\$5.14	Dec2015	\$6.58
Dec2014	\$7.52	Dec2014	\$6.69
Dec2013	\$11.13	Dec2013	\$5.58
Dec2012	\$3.03	Dec2012	\$2.63
Dec2011	\$3.44	Dec2011	\$2.35
Dec2010	\$2.32	Dec2010	\$1.85
Dec2009	\$1.02	Dec2009	\$1.68
Dec2008	\$1.63	Dec2008	\$2.00
Dec2007	\$2.52	Dec2007	\$2.12
Dec2006	\$2.14	Dec2006	\$1.75
Dec2005	\$1.75	Dec2005	\$1.45
Dec2004	\$1.98	Dec2004	\$1.27
Dec2003	\$1.45	Dec2003	\$1.00
Dec2002	-\$0.21	Dec2002	\$0.96
Dec2001	\$1.15	Balance Sheet Information	3/1/2018
Dec2000	\$1.79	Total Current Assets	\$7,108,000,000
Dec1999	\$1.62	Total Current Liabilities	\$4,024,000,000
Dec1998	\$2.24	Long-Term Debt	\$5,199,000,000
		Total Assets	\$7,108,000,000
		Intangible Assets	\$5,987,000,000
		Total Liabilities	\$10,980,000,000
		Shares Outstanding (Diluted Average)	251,400,000





#### 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	PPG Industries Inc Valuation – January 2017 \$PPG	
ModernGraham posts about the company	5 Companies for Enterprising Investors Near 52 Week Lows – January 2017	
	Best Dividend Paying Stocks for Dividend Growth Investors – December 2016	
	5 Companies for Enterprising Investors Near 52 Week Lows – December 2016	
	Best Dividend Paying Stocks for Dividend Growth Investors – August 2016	
Other ModernGraham posts about related companies	Innospec Inc Valuation – April 2018 \$IOSP	
	Innophos Holdings Inc Valuation – March 2018 \$IPHS	
	Olin Corp Valuation – March 2018 \$OLN	
	A Schulman Inc Valuation – March 2018 \$SHLM	
	FMC Corp Valuation – March 2018 \$FMC	
	Compass Minerals International Inc Valuation – March 2018 \$CMP	
	Ashland Global Holdings Inc Valuation – March 2018 \$ASH	
	Air Products & Chemicals Inc Valuation – March 2018 \$APD	
	Koppers Holdings Inc Valuation – March 2018 \$KOP	
	Kraton Corp Valuation – March 2018 \$KRA	