

ModernGraham Valuation

Company Name:

PPG Industries, Inc.

Company Ticker PPG

Date of Analysis

5/6/2018



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	\$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
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	129.12%	Pass
5. Earnings Growth	PEmg < 20	19.33	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	-6.91	Fail
7. Moderate Price to Assets			

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

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

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[FMC Corp Valuation – March 2018 \\$FMC](#)
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