

ModernGraham Valuation

International Paper
Co



Company Name:

Company Ticker IP

Date of Analysis

6/24/2018

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	\$21,946,852,892	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.63	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	92.38%	Pass
5. Earnings Growth	PEmg < 20	14.30	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.05	Pass
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	1.63	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.85	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 Score		Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.71
MG Growth Estimate	11.12%
MG Value	\$113.93
MG Value based on 3% Growth	\$53.76
MG Value based on 0% Growth	\$31.51
Market Implied Growth Rate	2.90%

MG Opinion

Current Price	\$53.00
% of Intrinsic Value	46.52%
Opinion	Undervalued
MG Grade	B+

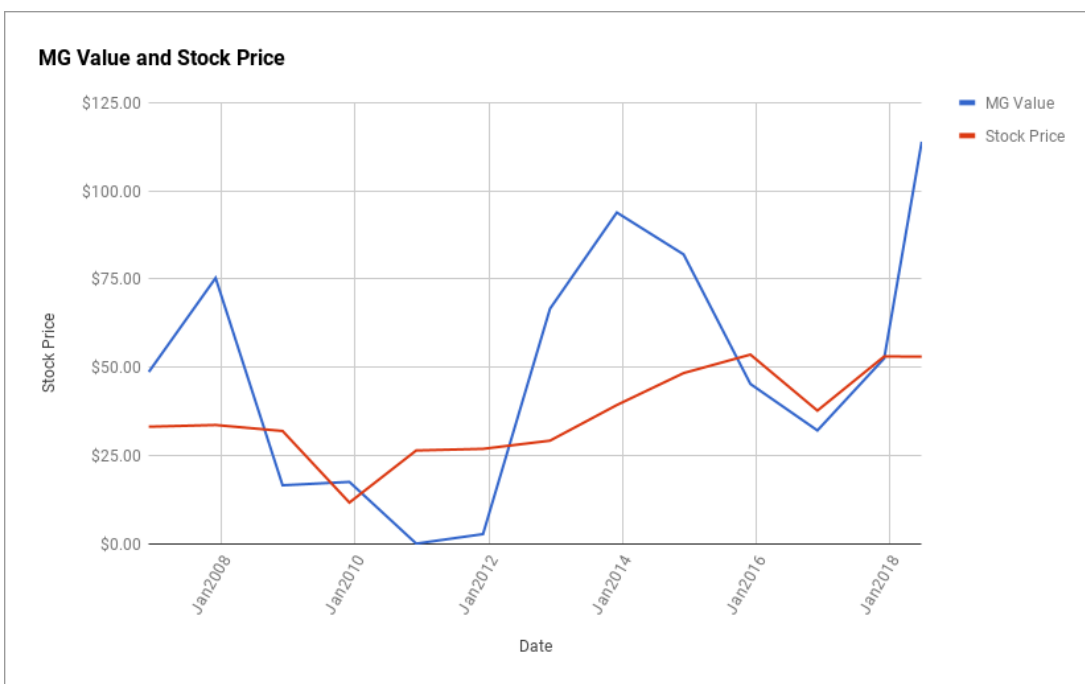
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$46.64
Graham Number	\$40.25
PEmg	14.30
Current Ratio	1.63
PB Ratio	3.05
Current Dividend	\$1.86
Dividend Yield	3.52%
Number of Consecutive Years of Dividend Growth	8

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	\$4.56	Next Fiscal Year Estimate	\$3.71
Dec2017	\$5.13	Dec2017	\$3.12
Dec2016	\$2.18	Dec2016	\$2.11
Dec2015	\$2.23	Dec2015	\$2.15
Dec2014	\$1.29	Dec2014	\$2.13
Dec2013	\$3.11	Dec2013	\$2.44
Dec2012	\$1.80	Dec2012	\$1.73
Dec2011	\$3.03	Dec2011	\$1.52
Dec2010	\$1.59	Dec2010	\$0.84
Dec2009	\$1.55	Dec2009	\$0.68
Dec2008	-\$3.05	Dec2008	\$0.43
Dec2007	\$2.70	Dec2007	\$1.96
Dec2006	\$2.18	Dec2006	\$1.26
Dec2005	\$2.21	Dec2005	\$0.43
Dec2004	-\$0.07	Dec2004	-\$0.53
Dec2003	\$0.63	Dec2003	-\$0.71
Dec2002	-\$1.83	Dec2002	-\$1.11
Dec2001	-\$2.50	Balance Sheet Information 3/1/2018	
Dec2000	\$0.32	Total Current Assets	\$7,260,000,000
Dec1999	\$0.44	Total Current Liabilities	\$4,465,000,000
Dec1998	\$0.60	Long-Term Debt	\$10,759,000,000
		Total Assets	\$34,030,000,000
		Intangible Assets	\$3,414,000,000
		Total Liabilities	\$26,765,000,000
		Shares Outstanding (Diluted Average)	418,200,000





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

[International Paper Co Valuation – March 2017 \\$IP](#)
[International Paper Co Valuation – December 2015 Update \\$IP](#)
[10 Undervalued Companies for Enterprising Dividend Investors – November 2015](#)
[10 Undervalued Companies for the Enterprising Dividend Stock Investor – October 2015](#)
[15 Best Stocks For Value Investors This Week – 9/4/15](#)

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ModernGraham
posts about related
companies

[Ball Corporation Valuation – April 2018 \\$BLL](#)
[WestRock Co Valuation – April 2018 \\$WRK](#)
[Sealed Air Corp Valuation – April 2018 \\$SEE](#)
[Packaging Corp of America Valuation – Initial Coverage \\$PKG](#)
[AptarGroup Inc Valuation – Initial Coverage \\$ATR](#)
[Tredegar Corp Valuation – Initial Coverage \\$TG](#)
[International Paper Co Valuation – March 2017 \\$IP](#)
[Schweitzer-Mauduit International Inc Valuation – Initial Coverage \\$SWM](#)
[KapStone Paper and Packaging Corp Valuation – Initial Coverage \\$KS](#)
[Sonoco Products Co Valuation – Initial Coverage \\$SON](#)