

ModernGraham Valuation

Company Name:

Owens-Illinois Inc

Company Ticker

OI

Date of Analysis

6/29/2018



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	\$2,724,866,403	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.33	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-314.64%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	10.24	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.48	Pass

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	1.33	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.17	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.64
MG Growth Estimate	15.00%
MG Value	\$63.19
MG Value based on 3% Growth	\$23.80
MG Value based on 0% Growth	\$13.95
Market Implied Growth Rate	0.87%

MG Opinion

Current Price	\$16.81
% of Intrinsic Value	26.60%
Opinion	Undervalued
MG Grade	C+

Stage 3: Information for Further Research

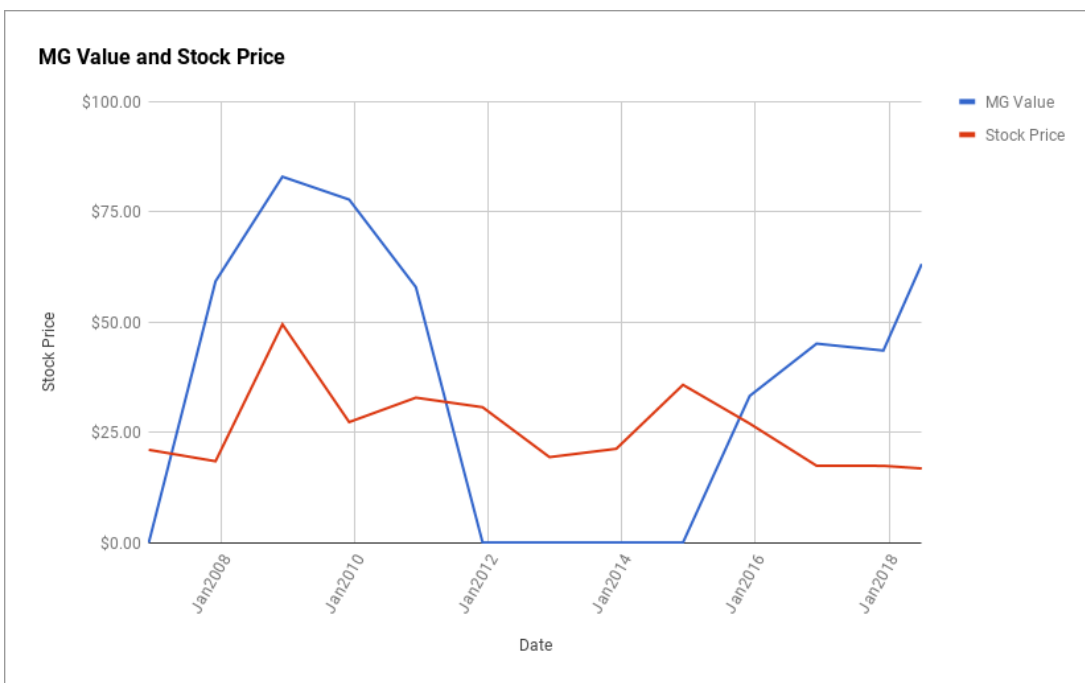
Net Current Asset Value (NCAV)	-\$38.71
Graham Number	\$17.51
PEmg	10.24
Current Ratio	1.33
PB Ratio	2.48
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$1.10	Dec2017	\$1.13
Dec2016	\$1.28	Dec2016	\$1.17
Dec2015	\$0.82	Dec2015	\$0.86
Dec2014	\$0.99	Dec2014	\$0.64
Dec2013	\$1.91	Dec2013	\$0.35
Dec2012	\$1.11	Dec2012	-\$0.27
Dec2011	-\$3.05	Dec2011	-\$0.17
Dec2010	-\$0.29	Dec2010	\$1.50
Dec2009	\$0.95	Dec2009	\$2.02
Dec2008	\$1.52	Dec2008	\$2.16
Dec2007	\$7.99	Dec2007	\$1.54
Dec2006	-\$0.32	Dec2006	-\$1.99
Dec2005	-\$3.85	Dec2005	-\$2.57
Dec2004	\$1.43	Dec2004	-\$1.85
Dec2003	-\$6.89	Dec2003	-\$2.86
Dec2002	-\$3.29	Dec2002	-\$0.60
Dec2001	\$2.30	Balance Sheet Information	
Dec2000	-\$2.00	3/1/2018	
Dec1999	\$1.78	Total Current Assets	\$2,768,000,000
Dec1998	\$0.62	Total Current Liabilities	\$2,078,000,000
		Long-Term Debt	\$5,640,000,000
		Total Assets	\$10,281,000,000
		Intangible Assets	\$3,101,000,000
		Total Liabilities	\$9,162,000,000
		Shares Outstanding (Diluted Average)	165,186,000





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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