

ModernGraham Valuation

Company Name:

Pitney Bowes Inc.

Company Ticker PBI

Date of Analysis

6/30/2018



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	\$1,639,641,754	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.14	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	-53.85%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	7.01	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.50	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	1.14	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	11.41	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	\$1.22
MG Growth Estimate	-4.06%
MG Value	\$0.46
MG Value based on 3% Growth	\$17.72
MG Value based on 0% Growth	\$10.39
Market Implied Growth Rate	-0.74%

MG Opinion

Current Price	\$8.57
% of Intrinsic Value	1877.63%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$20.28
Graham Number	\$5.04
PEmg	7.01
Current Ratio	1.14
PB Ratio	7.50
Current Dividend	\$0.75
Dividend Yield	8.75%
Number of Consecutive Years of Dividend Growth	0

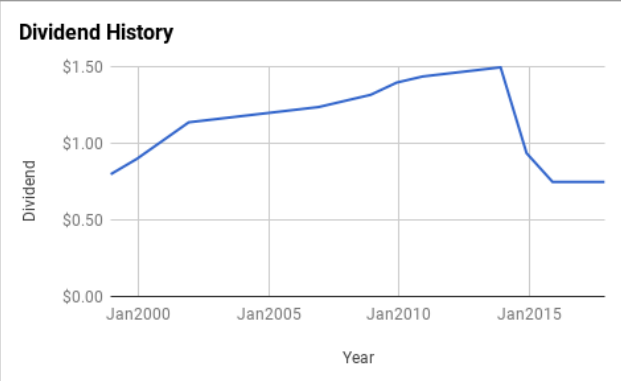
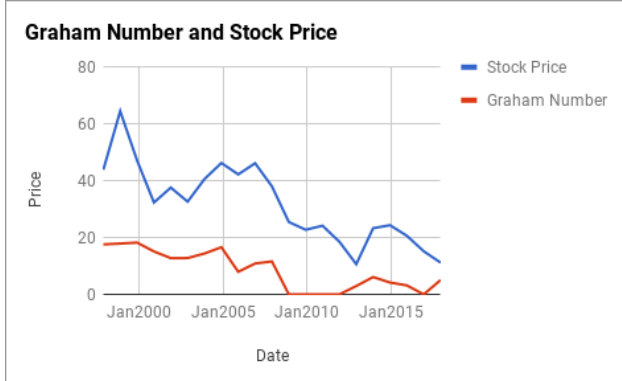
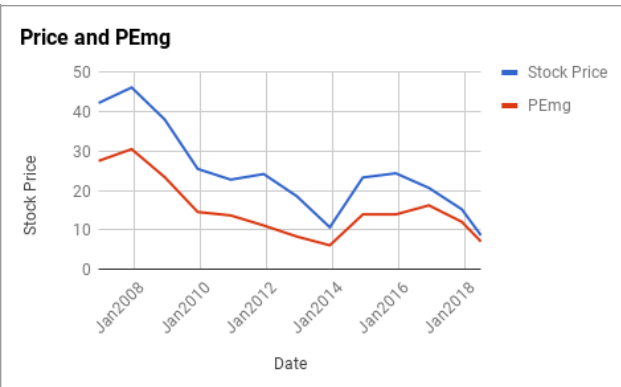
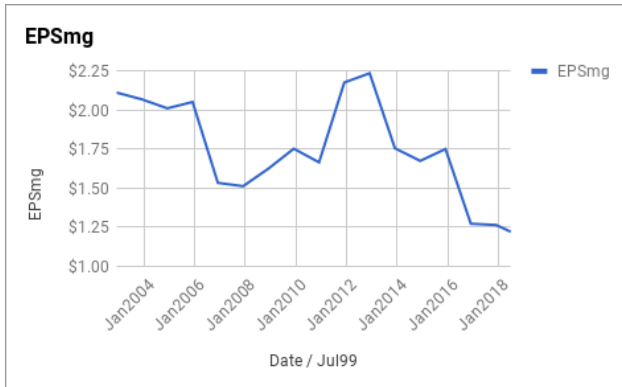
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.12	Next Fiscal Year Estimate	\$1.22
Dec2017	\$1.39	Dec2017	\$1.27
Dec2016	\$0.49	Dec2016	\$1.27
Dec2015	\$2.03	Dec2015	\$1.75
Dec2014	\$1.64	Dec2014	\$1.68
Dec2013	\$0.70	Dec2013	\$1.76
Dec2012	\$2.21	Dec2012	\$2.24
Dec2011	\$3.05	Dec2011	\$2.18
Dec2010	\$1.41	Dec2010	\$1.67
Dec2009	\$2.04	Dec2009	\$1.75
Dec2008	\$2.00	Dec2008	\$1.63
Dec2007	\$1.66	Dec2007	\$1.51
Dec2006	\$0.47	Dec2006	\$1.54
Dec2005	\$2.19	Dec2005	\$2.05
Dec2004	\$1.97	Dec2004	\$2.01
Dec2003	\$2.02	Dec2003	\$2.07
Dec2002	\$1.97	Dec2002	\$2.11
Dec2001	\$1.97	Balance Sheet Information 3/1/2018	
Dec2000	\$2.41	Total Current Assets	\$2,289,033,000
Dec1999	\$2.34	Total Current Liabilities	\$2,004,226,000
Dec1998	\$2.06	Long-Term Debt	\$3,248,713,000
		Total Assets	\$6,319,618,000
		Intangible Assets	\$2,227,302,000
		Total Liabilities	\$6,104,725,000
		Shares Outstanding (Diluted Average)	188,175,000





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

- [Pitney Bowes Inc Valuation – July 2016 \\$PBI](#)
- [23 Companies in the Spotlight This Week – 3/9/15](#)
- [Pitney Bowes Inc. Annual Valuation – 2015 \\$PBI](#)
- [16 Companies in the Spotlight This Week – 3/1/14](#)
- [Pitney Bowes Inc \(PBI\) Annual Valuation](#)

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