

ModernGraham Valuation

Intertape Polymer
Group



Company Name:

Company Ticker TSE:ITP

Date of Analysis

7/29/2018

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	\$1,130,866,000	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.49	Pass
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	-505.75%	Fail
5. Earnings Growth	PEmg < 20	13.56	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.02	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	2.49	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.72	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.27
MG Growth Estimate	15.00%
MG Value	\$48.73
MG Value based on 3% Growth	\$18.35
MG Value based on 0% Growth	\$10.76
Market Implied Growth Rate	2.53%

MG Opinion

Current Price	\$17.16
% of Intrinsic Value	35.21%
Opinion	Undervalued
MG Grade	B

Stage 3: Information for Further Research

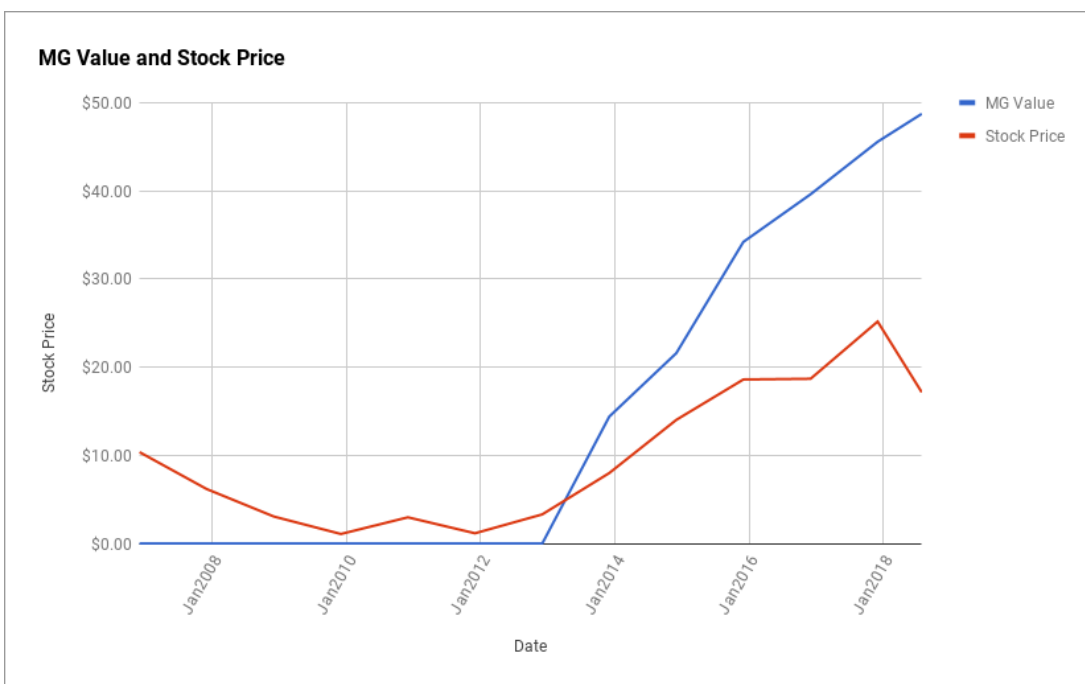
Net Current Asset Value (NCAV)	-\$4.04
Graham Number	\$12.89
PEmg	13.56
Current Ratio	2.49
PB Ratio	3.02
Current Dividend	\$0.72
Dividend Yield	4.17%
Number of Consecutive Years of Dividend Growth	0

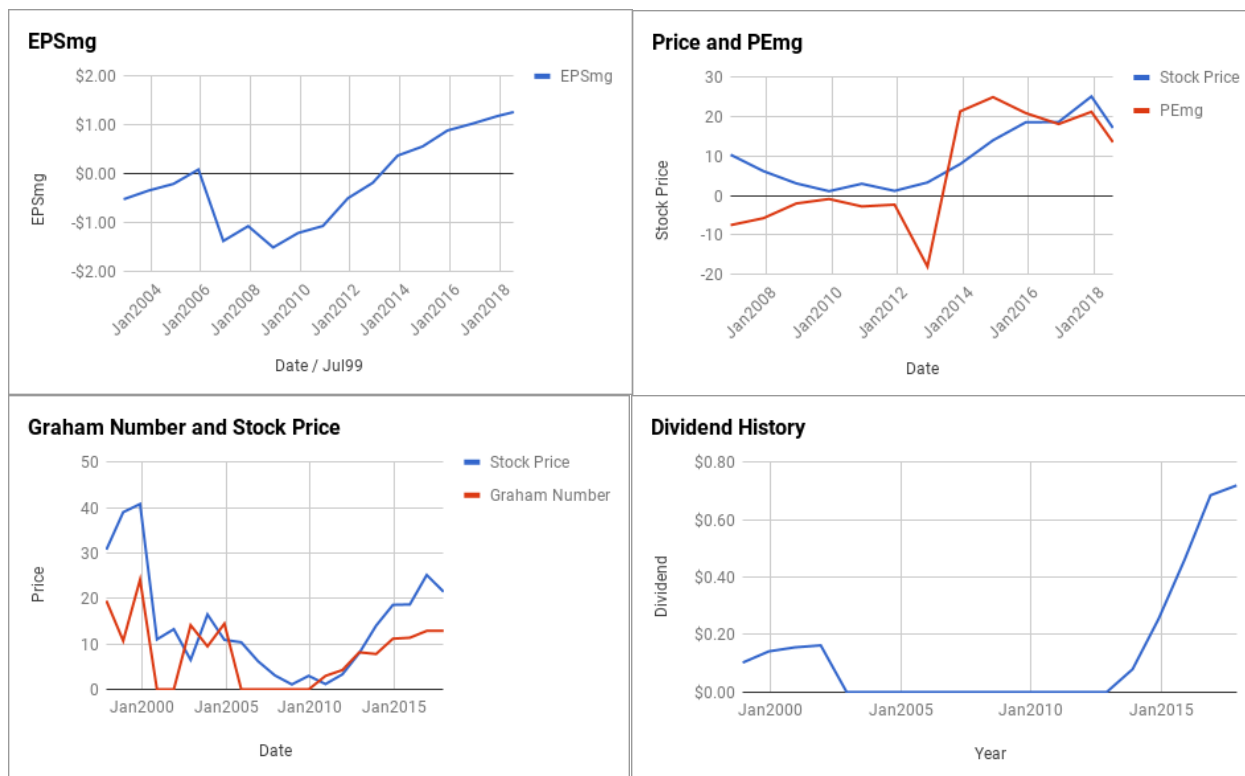
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$1.37		\$1.27
Dec2017	\$1.38	Dec2017	\$1.18
Dec2016	\$1.13	Dec2016	\$1.03
Dec2015	\$1.28	Dec2015	\$0.89
Dec2014	\$0.67	Dec2014	\$0.56
Dec2013	\$1.16	Dec2013	\$0.37
Dec2012	\$0.34	Dec2012	-\$0.18
Dec2011	\$0.12	Dec2011	-\$0.50
Dec2010	-\$0.83	Dec2010	-\$1.07
Dec2009	-\$0.25	Dec2009	-\$1.21
Dec2008	-\$1.94	Dec2008	-\$1.51
Dec2007	-\$0.19	Dec2007	-\$1.07
Dec2006	-\$4.69	Dec2006	-\$1.38
Dec2005	\$0.78	Dec2005	\$0.09
Dec2004	\$0.33	Dec2004	-\$0.21
Dec2003	\$0.66	Dec2003	-\$0.34
Dec2002	-\$2.59	Dec2002	-\$0.52
Dec2001	-\$0.68	Balance Sheet Information	
Dec2000	\$1.77	3/1/2018	
Dec1999	\$0.43	Total Current Assets	\$390,180,000
Dec1998	\$1.70	Total Current Liabilities	\$156,539,000
		Long-Term Debt	\$400,859,000
		Total Assets	\$962,456,000
		Intangible Assets	\$112,325,000
		Total Liabilities	\$627,841,000
		Shares Outstanding (Diluted Average)	58,800,000





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

- [5 Undervalued Canadian Stocks for Intelligent Investors – February 2017](#)
- [5 Undervalued Companies for Value Investors with a Low Beta – February 2017](#)
- [15 Best Stocks for Value Investors This Week – 1/14/17](#)
- [Intertape Polymer Group Valuation – Initial Coverage \\$TSE:ITP](#)

Other ModernGraham posts about related companies

- [Bemis Co Inc Valuation – June 2018 \\$BMS](#)
- [Owens-Illinois Inc Valuation – June 2018 \\$OI](#)
- [International Paper Co Valuation – June 2018 \\$IP](#)
- [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](#)