ModernGraham Valuation

Company Name:

Company Ticker KS Date of Analysis

KapStone Paper and Packaging Corp.



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

8/26/2018

Defensive Investor;	must pass 6 out of the following 7 tests.		
	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$3,356,767,670 Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.24 Pass
	3. Earnings Stability	Positive EPS for 10 years prior	Pass
	4. Dividend Record	Dividend Payments for 10 years prior	Fail
	5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	117.27% Pass
	6. Moderate PEmg Ratio	• •	19.23 Pass
	7. Moderate Price to Assets	PEmg < 20 $PR Patio < 2.5 OR PR*PEmg < 50$	2.83 Fail
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.03 Fall
Enterprising Investo	r; 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	2.24 Pass
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.79 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	Pass
		Score	
Suitability			
	Defensive	No	
	Defensive Enterprising	No Yes	
Stage 2: Dete			
Stage 2: Dete	Enterprising		
Stage 2: Dete	Enterprising ermination of Intrinsic Value	Yes	
Stage 2: Dete	Enterprising ermination of Intrinsic Value EPSmg	Yes \$1.78	
Stage 2: Dete	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate	Yes \$1.78 7.26%	
Stage 2: Dete	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value	Yes \$1.78 7.26% \$41.08	
Stage 2: Dete	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth	Yes \$1.78 7.26% \$41.08 \$25.87	
Stage 2: Dete	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth	Yes \$1.78 7.26% \$41.08 \$25.87 \$15.16	
-	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth	Yes \$1.78 7.26% \$41.08 \$25.87 \$15.16	
-	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate	Yes \$1.78 7.26% \$41.08 \$25.87 \$15.16 5.37%	
-	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price	Yes \$1.78 7.26% \$41.08 \$25.87 \$15.16 5.37% \$34.31	
-	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value	Yes \$1.78 7.26% \$41.08 \$25.87 \$15.16 5.37% \$34.31 83.52%	
MG Opinion	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value Opinion MG Grade	Yes \$1.78 7.26% \$41.08 \$25.87 \$15.16 5.37% \$34.31 83.52% Fairly Valued	
MG Opinion	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value Opinion MG Grade ermation for Further Research	Yes \$1.78 7.26% \$41.08 \$25.87 \$15.16 5.37% \$34.31 83.52% Fairly Valued C+	
MG Opinion	Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value Opinion MG Grade	Yes \$1.78 7.26% \$41.08 \$25.87 \$15.16 5.37% \$34.31 83.52% Fairly Valued	

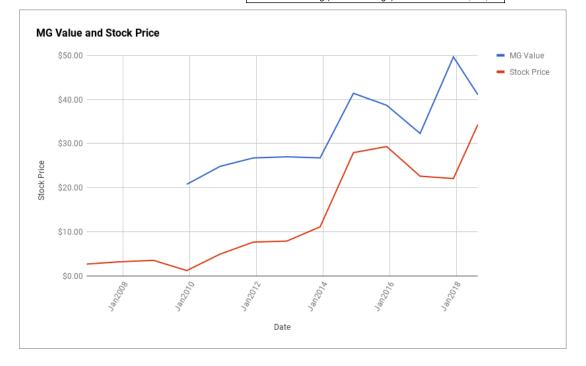
Granam Number	φ20.00
PEmg	19.23
Current Ratio	2.24
PB Ratio	2.83
Current Dividend	\$0.40
Dividend Yield	1.17%
Number of Consecutive Years of Dividend Growth	0

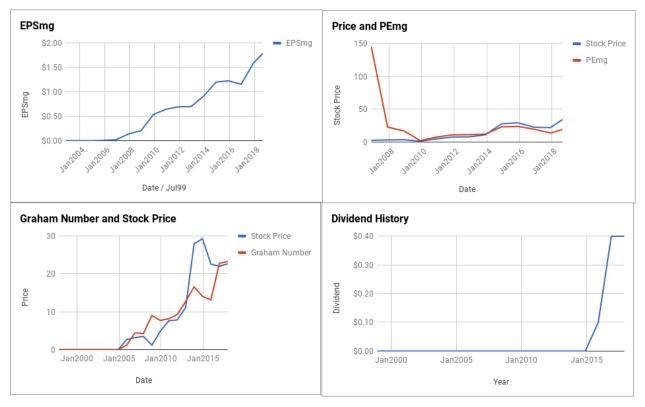
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EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$2.06	Next Fiscal Year Estimate	\$1.78
Dec2017	\$2.47	Dec2017	\$1.60
Dec2016	\$0.88	Dec2016	\$1.16
Dec2015	\$1.09	Dec2015	\$1.23
Dec2014	\$1.76	Dec2014	\$1.2
Dec2013	\$1.32	Dec2013	\$0.9
Dec2012	\$0.65	Dec2012	\$0.70
Dec2011	\$0.66	Dec2011	\$0.6
Dec2010	\$0.69	Dec2010	\$0.6
Dec2009	\$1.15	Dec2009	\$0.5
Dec2008	\$0.29	Dec2008	\$0.2
Dec2007	\$0.38	Dec2007	\$0.1
Dec2006	\$0.04	Dec2006	\$0.0
Dec2005	\$0.03	Dec2005	\$0.0
Dec2004	\$0.00	Dec2004	\$0.0
Dec2003	\$0.00	Dec2003	\$0.0
Dec2002	\$0.00	Dec2002	\$0.0
Dec2001	\$0.00	Balance Sheet Information	6/1/201
Dec2000	\$0.00	Total Current Assets	\$894,068,00
Dec1999	\$0.00	Total Current Liabilities	\$399,183,00
Dec1998	\$0.00	Long-Term Debt	\$1,382,968,00
		Total Assets	\$3,388,143,00
		Intangible Assets	\$1,002,598,00
		Total Liabilities	\$2,173,644,00
		Shares Outstanding (Diluted Average)	100,044,00





Disclaimer:

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