

ModernGraham Valuation

Company Name:

Silgan Holdings Inc.

Company Ticker SLGN

Date of Analysis

8/1/2018



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	\$2,993,661,141	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.26	Pass
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	69.90%	Pass
5. Earnings Growth	PEmg < 20	14.85	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.66	Fail
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	2.26	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.08	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.85
MG Growth Estimate	6.01%
MG Value	\$38.02
MG Value based on 3% Growth	\$26.86
MG Value based on 0% Growth	\$15.75
Market Implied Growth Rate	3.17%

MG Opinion

Current Price	\$27.51
% of Intrinsic Value	72.36%
Opinion	Undervalued
MG Grade	B

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$22.36
Graham Number	\$17.72
PEmg	14.85
Current Ratio	2.26
PB Ratio	3.66
Current Dividend	\$0.36
Dividend Yield	1.31%
Number of Consecutive Years of Dividend Growth	14

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		Next Fiscal Year Estimate	
Dec2017	\$2.01	Dec2017	\$1.85
Dec2016	\$2.42	Dec2016	\$1.71
Dec2015	\$1.27	Dec2015	\$1.35
Dec2014	\$1.41	Dec2014	\$1.37
Dec2013	\$1.43	Dec2013	\$1.32
Dec2012	\$1.44	Dec2012	\$1.24
Dec2011	\$1.09	Dec2011	\$1.11
Dec2010	\$1.38	Dec2010	\$1.08
Dec2009	\$0.95	Dec2009	\$0.91
Dec2008	\$1.04	Dec2008	\$0.85
Dec2007	\$0.82	Dec2007	\$0.74
Dec2006	\$0.81	Dec2006	\$0.66
Dec2005	\$0.69	Dec2005	\$0.56
Dec2004	\$0.58	Dec2004	\$0.47
Dec2003	\$0.57	Dec2003	\$0.39
Dec2002	\$0.29	Dec2002	\$0.29
Dec2001	\$0.37	Dec2001	\$0.28
Dec2000	\$0.29	Balance Sheet Information 6/1/2018	
Dec1999	\$0.22	Total Current Assets	\$1,726,800,000
Dec1998	\$0.17	Total Current Liabilities	\$765,000,000
	\$0.29	Long-Term Debt	\$2,962,700,000
		Total Assets	\$5,059,700,000
		Intangible Assets	\$0
		Total Liabilities	\$4,221,700,000
		Shares Outstanding (Diluted Average)	111,574,000





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

[Silgan Holdings Inc Valuation – Initial Coverage \\$SLGN](#)

Other
ModernGraham
posts about related
companies

[Clearwater Paper Corp Valuation – July 2018 \\$CLW](#)
[Intertape Polymer Group Valuation – July 2018 \\$TSE-ITP](#)
[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](#)