

ModernGraham Valuation

Schweitzer-Mauduit
International, Inc.



Company Name:

Company Ticker SWM

Date of Analysis

9/9/2018

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	\$1,231,218,084	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.98	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	22.72%	Fail
5. Earnings Growth	PEmg < 20	16.41	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.27	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	2.98	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.37	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		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.44
MG Growth Estimate	-0.96%
MG Value	\$16.07
MG Value based on 3% Growth	\$35.37
MG Value based on 0% Growth	\$20.73
Market Implied Growth Rate	3.96%

MG Opinion

Current Price	\$40.03
% of Intrinsic Value	249.07%
Opinion	Overvalued
MG Grade	D+

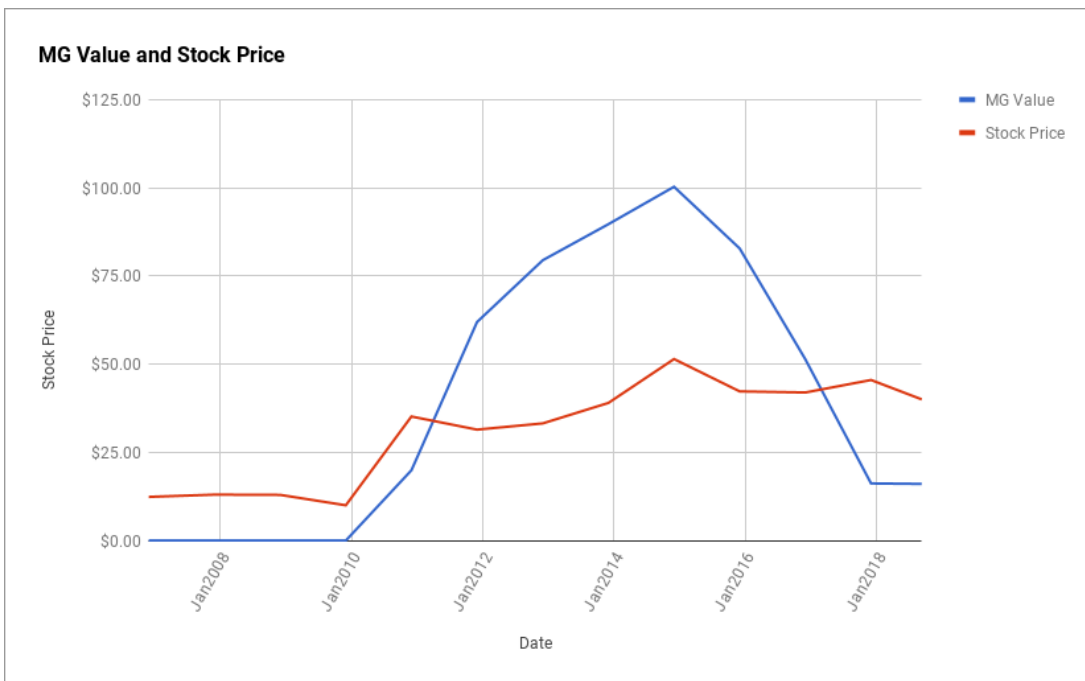
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$17.46
Graham Number	\$34.89
PEmg	16.41
Current Ratio	2.98
PB Ratio	2.27
Current Dividend	\$1.69
Dividend Yield	4.22%
Number of Consecutive Years of Dividend Growth	6

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	\$3.04	Next Fiscal Year Estimate	\$2.44
Dec2017	\$1.12	Dec2017	\$2.23
Dec2016	\$2.70	Dec2016	\$2.76
Dec2015	\$2.94	Dec2015	\$2.76
Dec2014	\$2.93	Dec2014	\$2.61
Dec2013	\$2.42	Dec2013	\$2.33
Dec2012	\$2.51	Dec2012	\$2.06
Dec2011	\$2.73	Dec2011	\$1.61
Dec2010	\$1.76	Dec2010	\$0.90
Dec2009	\$1.10	Dec2009	\$0.43
Dec2008	\$0.02	Dec2008	\$0.19
Dec2007	\$0.11	Dec2007	\$0.39
Dec2006	-\$0.03	Dec2006	\$0.62
Dec2005	\$0.63	Dec2005	\$0.94
Dec2004	\$1.18	Dec2004	\$1.07
Dec2003	\$1.11	Dec2003	\$1.01
Dec2002	\$1.09	Dec2002	\$0.96
Dec2001	\$0.82	Balance Sheet Information 6/1/2018	
Dec2000	\$0.91	Total Current Assets	\$406,400,000
Dec1999	\$0.98	Total Current Liabilities	\$136,200,000
Dec1998	\$0.96	Long-Term Debt	\$639,800,000
		Total Assets	\$1,485,100,000
		Intangible Assets	\$624,400,000
		Total Liabilities	\$942,600,000
		Shares Outstanding (Diluted Average)	30,706,000





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 Best Stocks for Value Investors This Week – 3/18/17](#)
- [Schweitzer-Mauduit International Inc Valuation – Initial Coverage \\$SWM](#)

Other ModernGraham posts about related companies

- [KapStone Paper and Packaging Corp Valuation – August 2018 \\$KPS](#)
- [Sonoco Products Co Valuation – August 2018 \\$SON](#)
- [Silgan Holdings Inc Valuation – August 2018 \\$SLGN](#)
- [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](#)