

# ModernGraham Valuation

Company Name:

Avery Dennison Corp

Company Ticker AVY

Date of Analysis

1/15/2019



## 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	\$8,116,923,152	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.00	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-599.19%	Fail
5. Earnings Growth	PEmg < 20	23.58	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	7.92	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	1.00	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2,158.83	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.98
MG Growth Estimate	11.25%
<b>MG Value</b>	<b>\$123.25</b>
MG Value based on 3% Growth	\$57.66
MG Value based on 0% Growth	\$33.80
Market Implied Growth Rate	7.54%

### MG Opinion

Current Price	\$93.75
% of Intrinsic Value	76.06%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information for Further Research

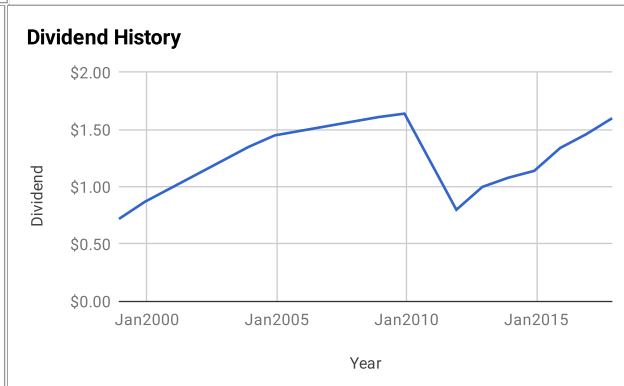
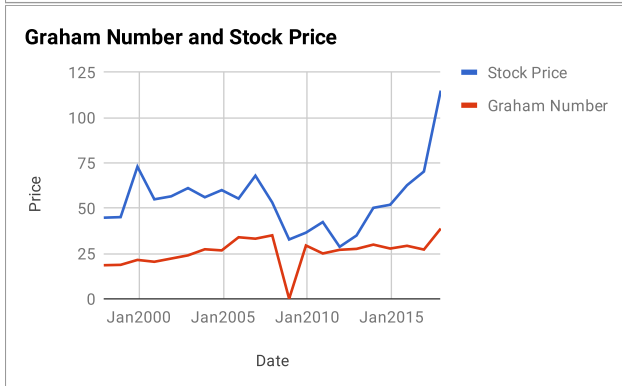
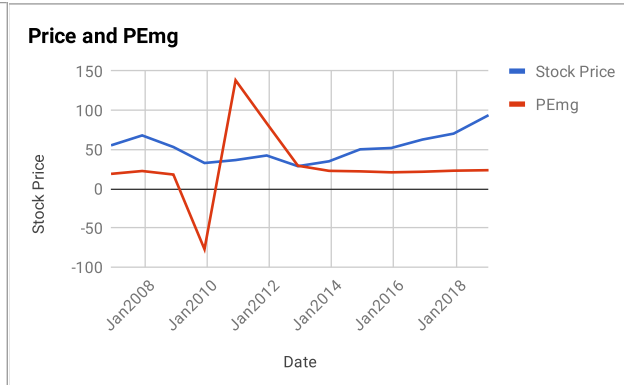
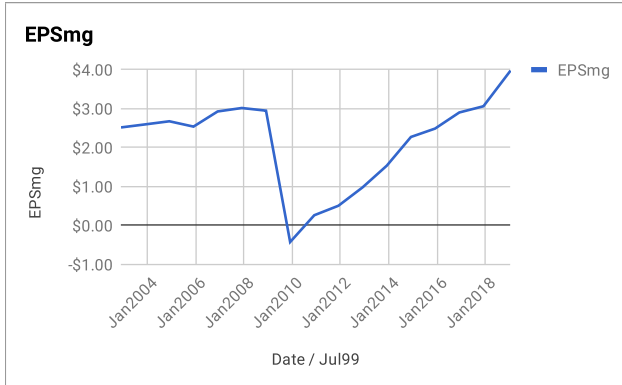
Net Current Asset Value (NCAV)	-\$20.07
Graham Number	\$38.74
PEmg	23.58
Current Ratio	1.00
PB Ratio	7.92
Current Dividend	\$1.76
Dividend Yield	1.88%
Number of Consecutive Years of Dividend Growth	7

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<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$5.61	Dec2017	\$3.98
Dec2016	\$3.13	Dec2016	\$3.06
Dec2015	\$3.54	Dec2015	\$2.90
Dec2014	\$2.95	Dec2014	\$2.49
Dec2013	\$2.56	Dec2013	\$2.27
Dec2012	\$2.13	Dec2012	\$1.54
Dec2011	\$2.08	Dec2011	\$0.98
Dec2010	\$1.78	Dec2010	\$0.51
Dec2009	\$2.97	Dec2009	\$0.26
Dec2008	-\$7.21	Dec2008	-\$0.42
Dec2007	\$2.70	Dec2007	\$2.95
Dec2006	\$3.07	Dec2006	\$3.02
Dec2005	\$3.72	Dec2005	\$2.93
Dec2004	\$2.26	Dec2004	\$2.54
Dec2003	\$2.78	Dec2003	\$2.68
Dec2002	\$2.67	Dec2002	\$2.60
Dec2001	\$2.59	Dec2001	\$2.52
Dec2000	\$2.47	<b>Balance Sheet Information</b>	
Dec1999	\$2.84	<b>9/1/2018</b>	
Dec1998	\$2.13	Total Current Assets	\$2,358,800,000
	\$2.15	Total Current Liabilities	\$2,358,200,000
		Long-Term Debt	\$1,295,300,000
		Total Assets	\$5,181,900,000
		Intangible Assets	\$1,101,700,000
		Total Liabilities	\$4,134,800,000
		Shares Outstanding (Diluted Average)	88,500,000





**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**

[Avery Dennison Corp Valuation – March 2018 \\$AVY](#)  
[Avery Dennison Corp Valuation – June 2016 \\$AVY](#)  
[Avery Dennison Corporation Annual Valuation – 2015 \\$AVY](#)  
[14 Companies in the Spotlight This Week – 1/11/14](#)  
[ModernGraham Valuation: Avery Dennison Corp \(AVY\)](#)

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[Fleetcor Technologies Inc Valuation – January 2019 \\$FLT](#)  
[TrueBlue Inc Valuation – October 2018 \\$TBI](#)  
[Convergys Corp Valuation – September 2018 \\$CVG](#)  
[Strategic Education Inc Valuation – August 2018 \\$STRA](#)  
[Multi-Color Corp Valuation – August 2018 \\$LABL](#)  
[Korn/Ferry International Valuation – August 2018 \\$KFY](#)  
[Kelly Services Inc Valuation – August 2018 \\$KELYA](#)  
[Jack Henry & Associates Inc Valuation – August 2018 \\$JKHY](#)  
[Dun & Bradstreet Corp Valuation – July 2018 \\$DNB](#)