

ModernGraham Valuation

Goodyear Tire &
Rubber Co



Company Name:

Company Ticker GT

Date of Analysis

1/21/2019

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	\$4,795,345,782	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.34	Fail
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		
5. Earnings Growth		-869.49%	Fail
6. Moderate PEmg Ratio	PEmg < 20	6.77	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.98	Pass

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	1.34	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.28	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	\$3.04
MG Growth Estimate	-2.98%
MG Value	\$7.71
MG Value based on 3% Growth	\$44.05
MG Value based on 0% Growth	\$25.82
Market Implied Growth Rate	-0.86%

MG Opinion

Current Price	\$20.58
% of Intrinsic Value	266.80%
Opinion	Overvalued
MG Grade	C

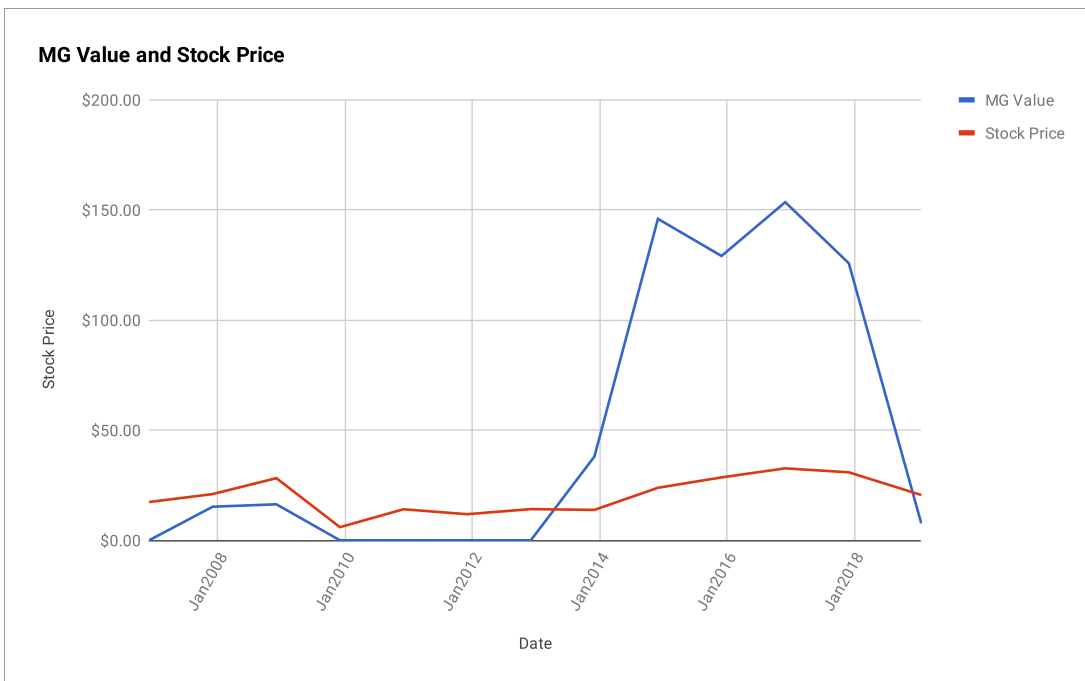
Stage 3: Information for Further Research

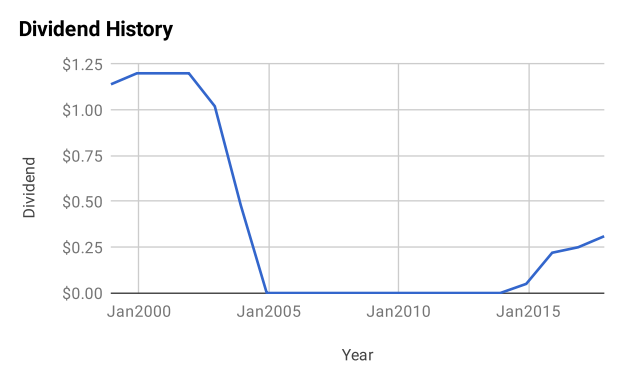
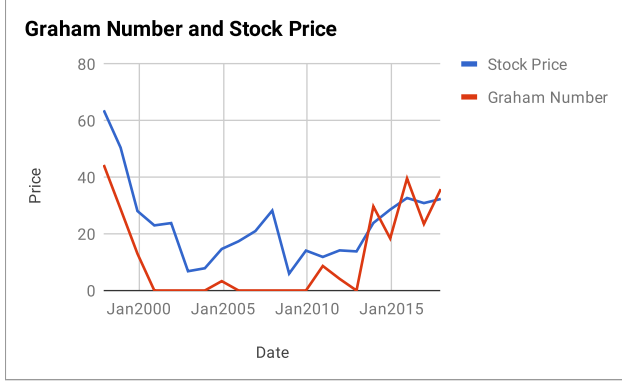
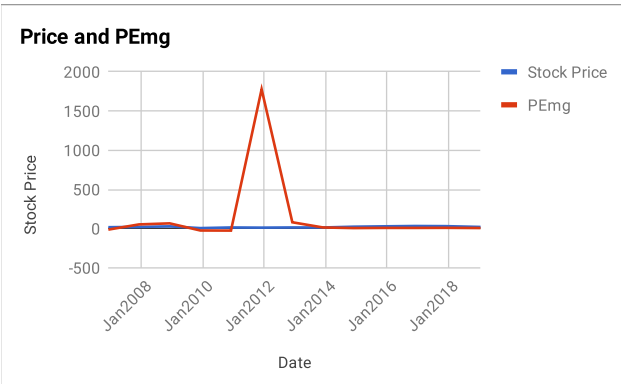
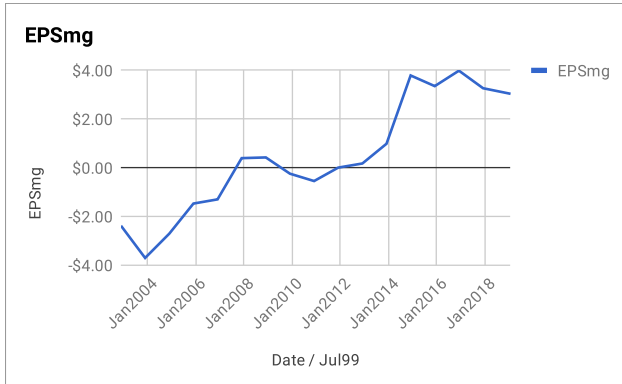
Net Current Asset Value (NCAV)	-\$24.53
Graham Number	\$35.79
PEmg	6.77
Current Ratio	1.34
PB Ratio	0.98
Current Dividend	\$0.44
Dividend Yield	2.14%
Number of Consecutive Years of Dividend Growth	5

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	\$2.97	Next Fiscal Year Estimate	\$3.04
Dec2017	\$1.37	Dec2017	\$3.27
Dec2016	\$4.74	Dec2016	\$3.99
Dec2015	\$1.12	Dec2015	\$3.35
Dec2014	\$8.78	Dec2014	\$3.79
Dec2013	\$2.28	Dec2013	\$0.99
Dec2012	\$0.74	Dec2012	\$0.18
Dec2011	\$1.26	Dec2011	\$0.01
Dec2010	-\$0.89	Dec2010	-\$0.54
Dec2009	-\$1.55	Dec2009	-\$0.24
Dec2008	-\$0.32	Dec2008	\$0.42
Dec2007	\$2.65	Dec2007	\$0.40
Dec2006	-\$1.86	Dec2006	-\$1.30
Dec2005	\$1.16	Dec2005	-\$1.47
Dec2004	\$0.63	Dec2004	-\$2.70
Dec2003	-\$4.61	Dec2003	-\$3.70
Dec2002	-\$7.47	Dec2002	-\$2.38
Dec2001	-\$1.59	Balance Sheet Information 9/1/2018	
Dec2000	\$0.31	Total Current Assets	\$6,753,000,000
Dec1999	\$1.53	Total Current Liabilities	\$5,047,000,000
Dec1998	\$4.03	Long-Term Debt	\$5,604,000,000
		Total Assets	\$17,591,000,000
		Intangible Assets	\$709,000,000
		Total Liabilities	\$12,591,000,000
		Shares Outstanding (Diluted Average)	238,000,000





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**
- [Goodyear Tire & Rubber Co Valuation – March 2018 \\$GT](#)
 - [Goodyear Tire & Rubber Co Valuation – July 2016 \\$GT](#)
 - [34 Companies in the Spotlight This Week – 2/7/15](#)
 - [Goodyear Tire & Rubber Company Annual Valuation – 2015 \\$GT](#)
 - [15 Companies in the Spotlight This Week – 2/1/14](#)

- Other ModernGraham posts about related companies**
- [Genuine Parts Co Valuation – January 2019 \\$GPC](#)
 - [Autozone Inc Valuation – January 2019 \\$AZO](#)
 - [Linamar Corp Valuation – October 2018 \\$TSE-LNR](#)
 - [AutoNation Inc Valuation – September 2018 \\$AN](#)
 - [Superior Industries International Inc Valuation – August 2018 \\$SUP](#)
 - [Lydall Inc Valuation – August 2018 \\$LDL](#)
 - [Lithia Motors Inc Valuation – August 2018 \\$LAD](#)
 - [Carlisle Companies Inc Valuation – August 2018 \\$CSL](#)
 - [Delphi Technologies PLC Valuation – August 2018 \\$DLPH](#)
 - [Cooper-Standard Holdings Inc Valuation – August 2018 \\$CPS](#)