

ModernGraham Valuation

Company Name:

Newell Brands Inc

Company Ticker NWL

Date of Analysis

1/10/2019



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 | \$9,529,348,480 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 2.98 | Pass |
| 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 | -425.11% | Fail |
| 5. Earnings Growth | PEmg < 20 | -7.22 | Fail |
| 6. Moderate PEmg Ratio | PB Ratio < 2.5 OR PB*PEmg < 50 | 1.60 | 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 | 2.98 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 1.15 | Fail |
| 3. Earnings Stability | Positive EPS for 5 years prior | | Fail |
| 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 | -\$2.83 |
| MG Growth Estimate | -4.25% |
| MG Value | \$0.00 |
| MG Value based on 3% Growth | -\$40.99 |
| MG Value based on 0% Growth | -\$24.03 |
| Market Implied Growth Rate | -7.86% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$20.41 |
| % of Intrinsic Value | N/A |
| Opinion | Overvalued |
| MG Grade | D+ |

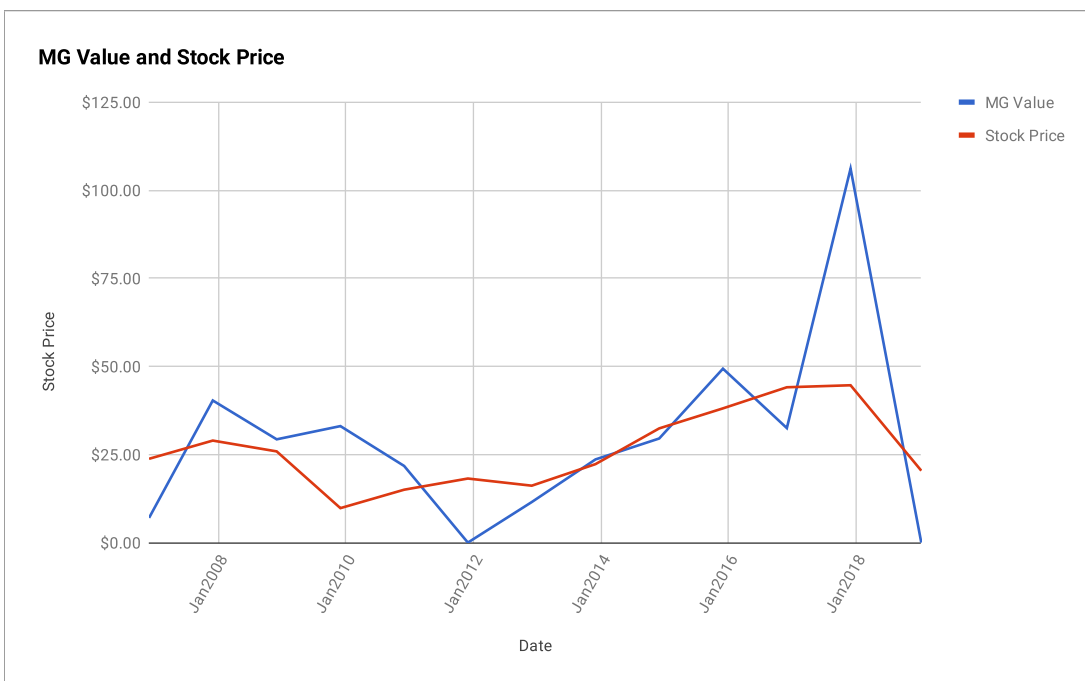
Stage 3: Information for Further Research

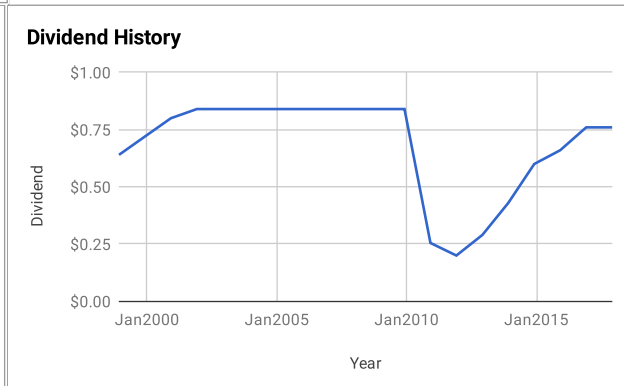
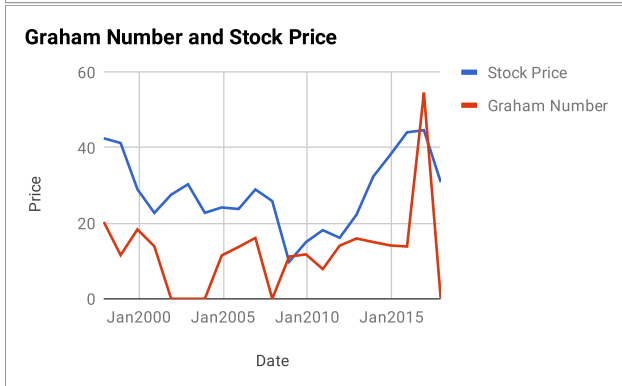
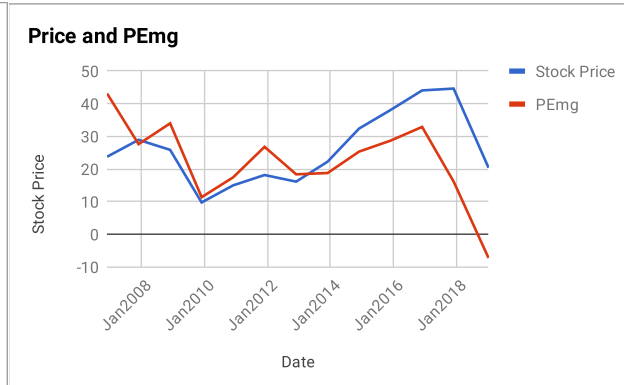
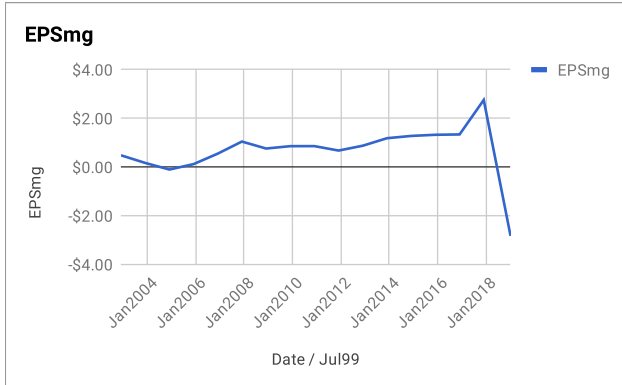
| | |
|------------------------------------------------|---------|
| Net Current Asset Value (NCAV) | -\$8.84 |
| Graham Number | \$0.00 |
| PEmg | -7.22 |
| Current Ratio | 2.98 |
| PB Ratio | 1.60 |
| Current Dividend | \$0.88 |
| Dividend Yield | 4.31% |
| Number of Consecutive Years of Dividend Growth | 1 |

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 | |
| | -\$14.52 | | -\$2.83 |
| Dec2017 | \$5.63 | Dec2017 | \$2.76 |
| Dec2016 | \$1.25 | Dec2016 | \$1.34 |
| Dec2015 | \$1.29 | Dec2015 | \$1.33 |
| Dec2014 | \$1.35 | Dec2014 | \$1.28 |
| Dec2013 | \$1.63 | Dec2013 | \$1.19 |
| Dec2012 | \$1.37 | Dec2012 | \$0.88 |
| Dec2011 | \$0.42 | Dec2011 | \$0.68 |
| Dec2010 | \$0.96 | Dec2010 | \$0.86 |
| Dec2009 | \$0.97 | Dec2009 | \$0.86 |
| Dec2008 | -\$0.18 | Dec2008 | \$0.76 |
| Dec2007 | \$1.68 | Dec2007 | \$1.05 |
| Dec2006 | \$1.40 | Dec2006 | \$0.55 |
| Dec2005 | \$0.91 | Dec2005 | \$0.12 |
| Dec2004 | -\$0.42 | Dec2004 | -\$0.10 |
| Dec2003 | -\$0.17 | Dec2003 | \$0.17 |
| Dec2002 | -\$0.76 | Dec2002 | \$0.48 |
| Dec2001 | \$0.99 | Balance Sheet Information | |
| Dec2000 | \$1.57 | 9/1/2018 | |
| Dec1999 | \$0.34 | Total Current Assets | \$12,208,500,000 |
| Dec1998 | \$1.70 | Total Current Liabilities | \$4,096,700,000 |
| | | Long-Term Debt | \$9,296,800,000 |
| | | Total Assets | \$22,398,100,000 |
| | | Intangible Assets | \$8,745,000,000 |
| | | Total Liabilities | \$16,371,900,000 |
| | | Shares Outstanding (Diluted Average) | 471,000,000 |





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

[5 Low P/E Companies In The S&P 500 – August 2018](#)
[Best Stocks Below Their Graham Number – August 2018](#)
[10 Low PE Stock Picks for the Defensive Investor – August 2018](#)
[10 Undervalued Companies for the Defensive Dividend Stock Investor – July 2018](#)
[Best Stocks Below Their Graham Number – June 2018](#)

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[National Presto Industries Inc Valuation – June 2018 \\$NPK](#)
[Leggett & Platt Inc Valuation – June 2018 \\$LEG](#)
[Clorox Co Valuation – May 2018 \\$CLX](#)
[Newell Brands Inc Valuation – March 2018 \\$NWL](#)
[La-Z-Boy Inc Valuation – Initial Coverage \\$LZB](#)
[Tupperware Brands Corp Valuation – Initial Coverage \\$TUP](#)
[Leggett & Platt Inc Valuation – March 2017 \\$LEG](#)
[Newell Brands Inc Valuation – February 2017 \\$NWL](#)
[Clorox Company Valuation – January 2017 \\$CLX](#)