ModernGraham Valuation

Company Name:

Company Ticker PKG Date of Analysis

Packaging Corp Of America



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

1/29/2019

Defensive Investor; n	nust pass 6 out of the following 7 tests.		
	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$8,853,452,267 Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.76 Pass
	3. Earnings Stability	Positive EPS for 10 years prior	Pass
	4. Dividend Record	Dividend Payments for 10 years prior	Pass
	E Forninge Crowth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and	217.02% Door
	5. Earnings Growth	beginning and end	217.02% Pass
	6. Moderate PEmg Ratio	PEmg < 20	14.93 Pass
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.48 Fail
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	2.76 Pass
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.84 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	
	Defensive Enterprising	Yes Yes	
	Enterprising		
Stage 2: Dete			
Stage 2: Dete	Enterprising		
Stage 2: Dete	Enterprising rmination of Intrinsic Value	Yes	
Stage 2: Dete	Enterprising rmination of Intrinsic Value EPSmg	Yes \$6.28	
Stage 2: Dete	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth	Yes \$6.28 14.37%	
Stage 2: Dete	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth	Yes \$6.28 14.37% \$233.77 \$91.02 \$53.36	
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Stage 2: Dete	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate	Yes \$6.28 14.37% \$233.77 \$91.02 \$53.36 3.21%	
-	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price	Yes \$6.28 14.37% \$233.77 \$91.02 \$53.36 3.21% \$93.70	
-	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value	Yes \$6.28 14.37% \$233.77 \$91.02 \$53.36 3.21% \$93.70 40.08%	
-	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value Opinion	Yes \$6.28 14.37% \$233.77 \$91.02 \$53.36 3.21% \$93.70 40.08% Undervalued	
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MG Opinion	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value Opinion MG Grade	Yes \$6.28 14.37% \$233.77 \$91.02 \$53.36 3.21% \$93.70 40.08% Undervalued	
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MG Opinion	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value Opinion MG Grade mation for Further Research	Yes \$6.28 14.37% \$233.77 \$91.02 \$53.36 3.21% \$93.70 40.08% Undervalued B+	

Net Current Asset Value (NCAV)	-\$19.74
Graham Number	\$63.49
PEmg	14.93
Current Ratio	2.76
PB Ratio	3.48
Current Dividend	\$2.52
Dividend Yield	2.69%
Number of Consecutive Years of Dividend	

7

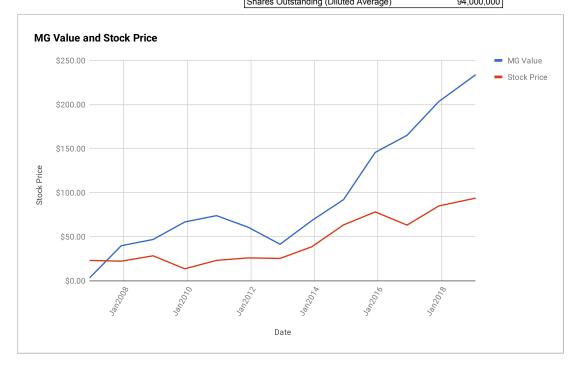
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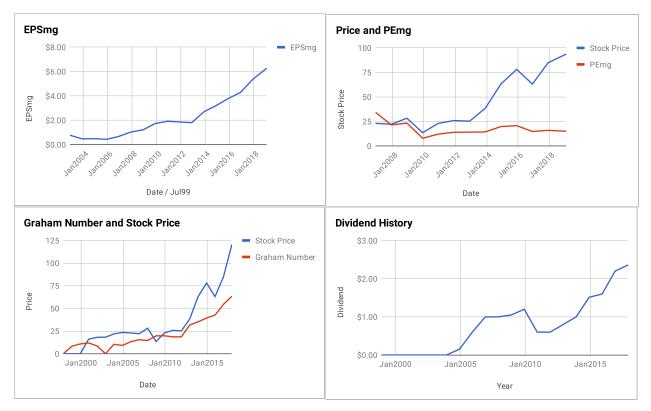
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Growth

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EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$7.74	Next Fiscal Year Estimate	\$6.28
Dec2017	\$7.07	Dec2017	\$5.35
Dec2016	\$4.75	Dec2016	\$4.29
Dec2015	\$4.47	Dec2015	\$3.78
Dec2014	\$3.99	Dec2014	\$3.21
Dec2013	\$4.52	Dec2013	\$2.70
Dec2012	\$1.64	Dec2012	\$1.80
Dec2011	\$1.57	Dec2011	\$1.86
Dec2010	\$2.00	Dec2010	\$1.92
Dec2009	\$2.60	Dec2009	\$1.73
Dec2008	\$1.31	Dec2008	\$1.2 ⁻
Dec2007	\$1.61	Dec2007	\$1.03
Dec2006	\$1.20	Dec2006	\$0.67
Dec2005	\$0.49	Dec2005	\$0.43
Dec2004	\$0.64	Dec2004	\$0.49
Dec2003	-\$0.14	Dec2003	\$0.47
Dec2002	\$0.45	Dec2002	\$0.77
Dec2001	\$0.98	Balance Sheet Information	9/1/2018
Dec2000	\$1.33	Total Current Assets	\$2,114,700,000
Dec1999	\$0.32	Total Current Liabilities	\$766,500,000
Dec1998	\$0.76	Long-Term Debt	\$2,482,900,000
		Total Assets	\$6,500,000,000
		Intangible Assets	\$1,262,600,000
		Total Liabilities	\$3,969,800,000
		Shares Outstanding (Diluted Average)	94,000,000





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
 5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – August 2018

 ModernGraham posts about the company
 5 Undervalued Stocks for Value Investors with a High Beta – July 2018

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 Other
 Schweitzer-Mauduit International Inc Valuation – September 2018 \$SWM

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 KapStone Paper and Packaging Corp Valuation – August 2018 \$SSON

 Sonoco Products Co Valuation – August 2018 \$SON
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 Clearwater Paper Corp Valuation – July 2018 \$CLW
 Intertape Polymer Group Valuation – July 2018 \$TSE-ITP

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