

ModernGraham Valuation

Philip Morris
International Inc.



Company Name:

Company Ticker PM

Date of Analysis

1/16/2019

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	\$108,832,228,560	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.19	Fail
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	11.16%	Fail
5. Earnings Growth	PEmg < 20	15.56	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	-10.95	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	1.19	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	9.59	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	\$4.50
MG Growth Estimate	-1.31%
MG Value	\$26.46
MG Value based on 3% Growth	\$65.26
MG Value based on 0% Growth	\$38.26
Market Implied Growth Rate	3.53%

MG Opinion

Current Price	\$70.01
% of Intrinsic Value	264.55%
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$19.80
Graham Number	\$0.00
PEmg	15.56
Current Ratio	1.19
PB Ratio	-10.95
Current Dividend	\$4.22
Dividend Yield	6.03%
Number of Consecutive Years of Dividend Growth	10

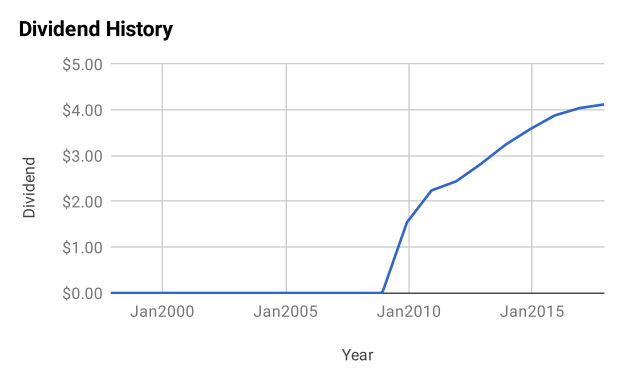
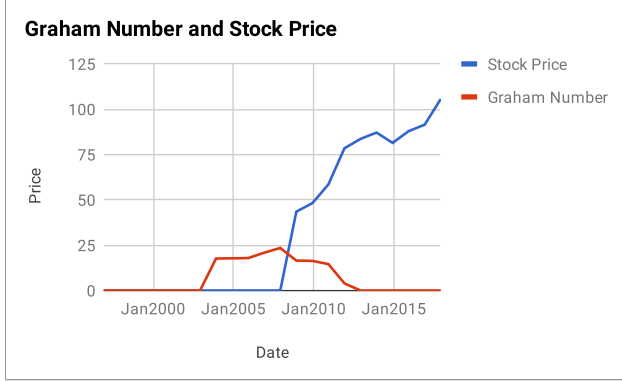
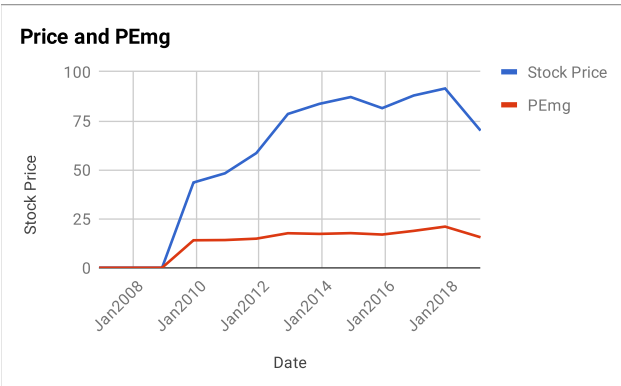
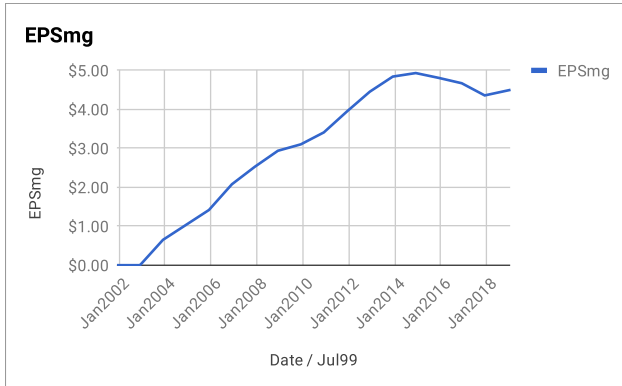
Useful Links:

[ModernGraham tagged articles](#)
[Google Finance](#)
[Yahoo Finance](#)
[GuruFocus](#)

[Morningstar](#)
[MSN Money](#)
[Seeking Alpha](#)
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.99	Next Fiscal Year Estimate	\$4.50
Dec2017	\$3.88	Dec2017	\$4.36
Dec2016	\$4.48	Dec2016	\$4.67
Dec2015	\$4.42	Dec2015	\$4.81
Dec2014	\$4.76	Dec2014	\$4.93
Dec2013	\$5.26	Dec2013	\$4.84
Dec2012	\$5.17	Dec2012	\$4.45
Dec2011	\$4.85	Dec2011	\$3.94
Dec2010	\$3.92	Dec2010	\$3.41
Dec2009	\$3.24	Dec2009	\$3.10
Dec2008	\$3.31	Dec2008	\$2.94
Dec2007	\$2.86	Dec2007	\$2.53
Dec2006	\$2.91	Dec2006	\$2.08
Dec2005	\$2.69	Dec2005	\$1.42
Dec2003	\$1.95	Dec2003	\$0.65
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information 9/1/2018	
Dec1999	\$0.00	Total Current Assets	\$18,538,000,000
Dec1998	\$0.00	Total Current Liabilities	\$15,599,000,000
Dec1997	\$0.00	Long-Term Debt	\$28,179,000,000
		Total Assets	\$39,380,000,000
		Intangible Assets	\$9,588,000,000
		Total Liabilities	\$49,322,000,000
		Shares Outstanding (Diluted Average)	1,555,000,000





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**
- [Philip Morris International Inc Valuation – March 2018 \\$PM](#)
 - [21 Companies in the Spotlight This Week – 5/9/15](#)
 - [Philip Morris International Annual Valuation – 2015 \\$PM](#)
 - [16 Companies in the Spotlight This Week – 4/26/14](#)
 - [Philip Morris International \(PM\) Annual Valuation – 2014](#)

- Other ModernGraham posts about related companies**
- [Molson Coors Brewing Co Valuation – January 2019 \\$TAP](#)
 - [Boston Beer Company Inc Valuation – July 2018 \\$SAM](#)
 - [Constellation Brands Inc Valuation – May 2018 \\$STZ](#)
 - [Brown-Forman Corp Valuation – May 2018 \\$BF.B](#)
 - [Philip Morris International Inc Valuation – March 2018 \\$PM](#)
 - [Altria Group Inc Valuation – March 2018 \\$MO](#)
 - [Molson Coors Brewing Co Valuation – March 2018 \\$TAP](#)
 - [Molson Coors Brewing Co Valuation – Initial Coverage \\$TAP](#)
 - [Constellation Brands Inc Valuation – February 2017 \\$STZ](#)
 - [Brown-Forman Corporation – February 2017 \\$BF.B](#)