

# ModernGraham Valuation

Company Name:

PPG Industries, Inc.

Company Ticker PPG

Date of Analysis

2/28/2019



## 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	\$26,354,636,567	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.36	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	102.28%	Pass
5. Earnings Growth	PEmg < 20	20.29	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.66	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	1.36	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.75	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.51
MG Growth Estimate	-2.43%
<b>MG Value</b>	<b>\$20.00</b>
MG Value based on 3% Growth	\$79.90
MG Value based on 0% Growth	\$46.84
Market Implied Growth Rate	5.90%

### MG Opinion

Current Price	\$111.80
% of Intrinsic Value	558.89%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

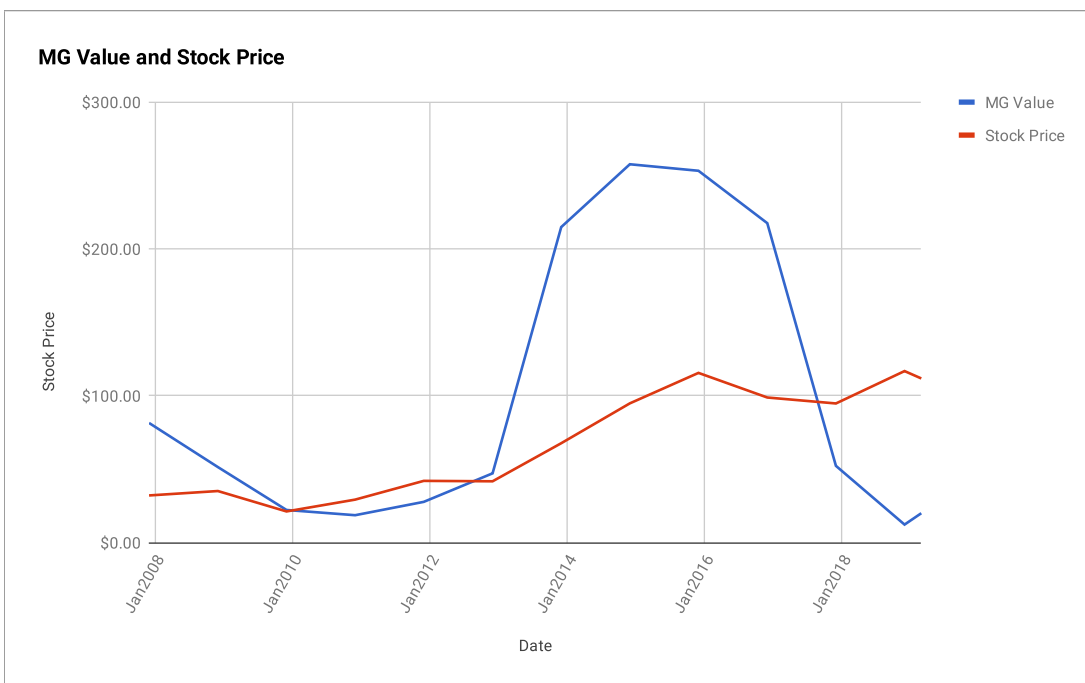
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$22.20
Graham Number	\$51.51
PEmg	20.29
Current Ratio	1.36
PB Ratio	5.66
Current Dividend	\$1.86
Dividend Yield	1.66%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<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	
Dec2018	\$5.47	Dec2018	\$5.31
Dec2017	\$6.18	Dec2017	\$5.70
Dec2016	\$3.27	Dec2016	\$5.65
Dec2015	\$5.14	Dec2015	\$6.58
Dec2014	\$7.52	Dec2014	\$6.69
Dec2013	\$11.13	Dec2013	\$5.58
Dec2012	\$3.03	Dec2012	\$2.63
Dec2011	\$3.44	Dec2011	\$2.35
Dec2010	\$2.32	Dec2010	\$1.85
Dec2009	\$1.02	Dec2009	\$1.68
Dec2008	\$1.63	Dec2008	\$2.00
Dec2007	\$2.52	Dec2007	\$2.12
Dec2006	\$2.14	Dec2006	\$1.75
Dec2005	\$1.75	Dec2005	\$1.45
Dec2004	\$1.98	Dec2004	\$1.27
Dec2003	\$1.45	Dec2003	\$1.00
Dec2002	-\$0.21	<b>Balance Sheet Information</b>	
Dec2001	\$1.15	<b>12/1/2018</b>	
Dec2000	\$1.79	Total Current Assets	\$5,961,000,000
Dec1999	\$1.62	Total Current Liabilities	\$4,373,000,000
		Long-Term Debt	\$4,365,000,000
		Total Assets	\$16,015,000,000
		Intangible Assets	\$6,042,000,000
		Total Liabilities	\$11,283,000,000
		Shares Outstanding (Diluted Average)	239,700,000





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

[PPG Industries Inc Valuation – May 2018 \\$PPG](#)  
[PPG Industries Inc Valuation – January 2017 \\$PPG](#)  
[5 Companies for Enterprising Investors Near 52 Week Lows – January 2017](#)  
[Best Dividend Paying Stocks for Dividend Growth Investors – December 2016](#)  
[5 Companies for Enterprising Investors Near 52 Week Lows – December 2016](#)

Other  
ModernGraham  
posts about related  
companies

[Celanese Corporation Valuation – February 2019 \\$CE](#)  
[Ecolab Inc Valuation – January 2019 \\$ECL](#)  
[FMC Corp Valuation – January 2019 \\$FMC](#)  
[Air Products & Chemicals Inc Valuation – January 2019 \\$APD](#)  
[Albemarle Corp Valuation – January 2019 \\$ALB](#)  
[LyondellBasell Industries NV Valuation – January 2019 \\$LYB](#)  
[Eastman Chemical Co Valuation – January 2019 \\$EMN](#)  
[DowDuPont Inc Valuation – November 2018 \\$DWD](#)  
[Chemtrade Logistics Income Fund Valuation – July 2018 \\$TSE:CHE.UN](#)  
[PPG Industries Inc Valuation – May 2018 \\$PPG](#)