

# ModernGraham Valuation



## Company Name:

International Paper  
Co

Company Ticker IP

Date of Analysis

3/26/2019

## 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	\$17,950,583,989	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.49	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	129.44%	Pass
6. Moderate PEmg Ratio	PEmg < 20	10.33	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.48	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	1.49	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.35	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		Pass

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.34
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$167.17</b>
MG Value based on 3% Growth	\$62.96
MG Value based on 0% Growth	\$36.91
Market Implied Growth Rate	0.91%

### MG Opinion

Current Price	\$44.85
% of Intrinsic Value	26.83%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B+</b>

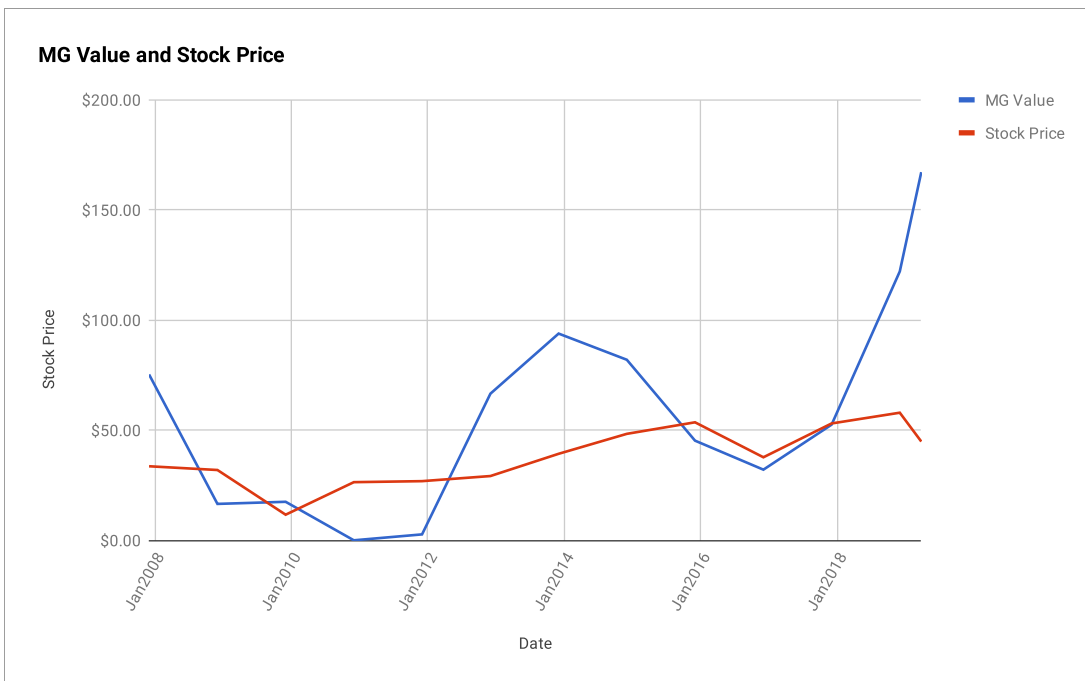
## Stage 3: Information for Further Research

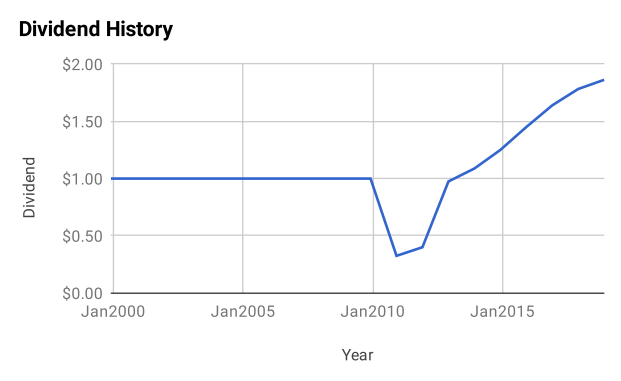
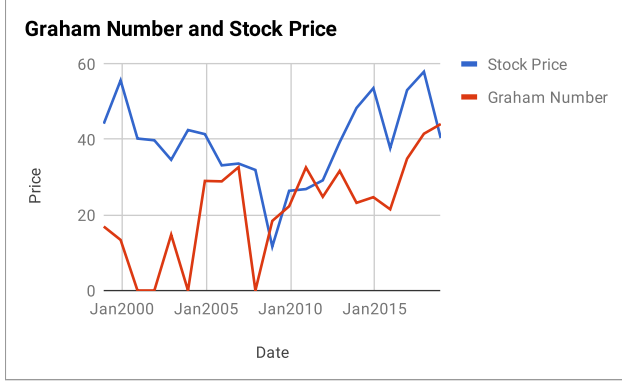
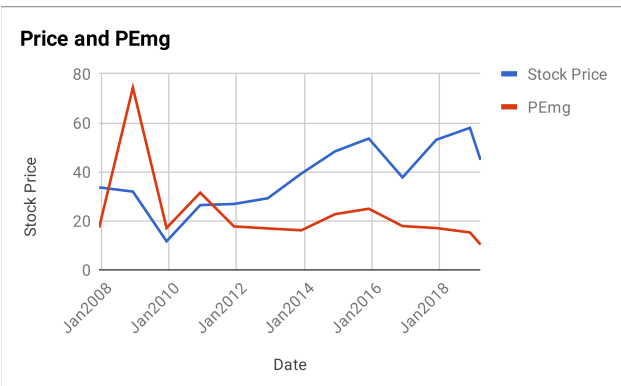
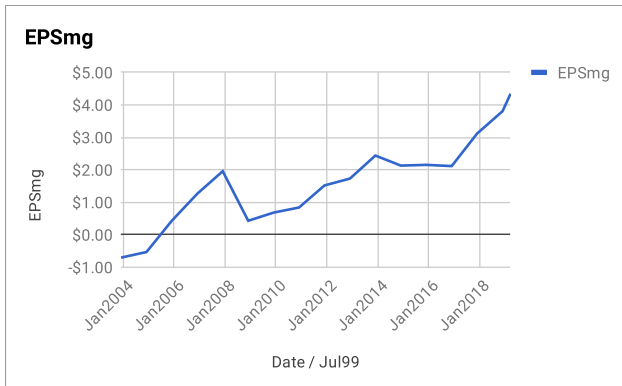
Net Current Asset Value (NCAV)	-\$47.06
Graham Number	\$44.07
PEmg	10.33
Current Ratio	1.49
PB Ratio	2.48
Current Dividend	\$1.93
Dividend Yield	4.29%
Number of Consecutive Years of Dividend Growth	9

### 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	\$4.75	Next Fiscal Year Estimate	\$4.34
Dec2018	\$4.85	Dec2018	\$3.80
Dec2017	\$5.13	Dec2017	\$3.12
Dec2016	\$2.18	Dec2016	\$2.11
Dec2015	\$2.23	Dec2015	\$2.15
Dec2014	\$1.29	Dec2014	\$2.13
Dec2013	\$3.11	Dec2013	\$2.44
Dec2012	\$1.80	Dec2012	\$1.73
Dec2011	\$3.03	Dec2011	\$1.52
Dec2010	\$1.59	Dec2010	\$0.84
Dec2009	\$1.55	Dec2009	\$0.68
Dec2008	-\$3.05	Dec2008	\$0.43
Dec2007	\$2.70	Dec2007	\$1.96
Dec2006	\$2.18	Dec2006	\$1.26
Dec2005	\$2.21	Dec2005	\$0.43
Dec2004	-\$0.07	Dec2004	-\$0.53
Dec2003	\$0.63	Dec2003	-\$0.71
Dec2002	-\$1.83	<b>Balance Sheet Information 12/1/2018</b>	
Dec2001	-\$2.50	Total Current Assets	\$6,996,000,000
Dec2000	\$0.32	Total Current Liabilities	\$4,694,000,000
Dec1999	\$0.44	Long-Term Debt	\$10,015,000,000
		Total Assets	\$33,576,000,000
		Intangible Assets	\$3,374,000,000
		Total Liabilities	\$26,193,000,000
		Shares Outstanding (Diluted Average)	407,900,000





**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**
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – February 2019](#)
  - [10 Undervalued Companies for the Defensive Dividend Stock Investor – July 2018](#)
  - [International Paper Co Valuation – June 2018 \\$IP](#)
  - [International Paper Co Valuation – March 2017 \\$IP](#)
  - [International Paper Co Valuation – December 2015 Update \\$IP](#)

- Other ModernGraham posts about related companies**
- [Ball Corporation Valuation – February 2019 \\$BLL](#)
  - [Westrock Co Valuation – February 2019 \\$WRK](#)
  - [Sealed Air Corp Valuation – February 2019 \\$SEE](#)
  - [Packaging Corp of America Valuation – January 2019 \\$PKG](#)
  - [Schweitzer-Mauduit International Inc Valuation – September 2018 \\$SWM](#)
  - [KapStone Paper and Packaging Corp Valuation – August 2018 \\$KS](#)
  - [Sonoco Products Co Valuation – August 2018 \\$SON](#)
  - [Silgan Holdings Inc Valuation – August 2018 \\$SLGN](#)
  - [Clearwater Paper Corp Valuation – July 2018 \\$CLW](#)
  - [Intertape Polymer Group Valuation – July 2018 \\$ITP](#)