ModernGraham Valuation

Company Name:

Moody's Corporation



Company Ticker MCO

Date of Analysis 9/21/2015

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.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$20,182,201,228 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.72 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
Dividend Record	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at	Pass
5. Earnings Growth	beginning and end	81.51% Pass
6. Moderate PEmg Ratio	PEmg < 20	25.23 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-62.88 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.72 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.60 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

Suitability

Defensive No Enterprising Yes

Stage 2: Determination of Intrinsic Value

\$4.04
13.01%
\$139.43
\$58.56
\$34.33
8.36%

MG Opinion

Current Price\$101.89% of Intrinsic Value73.08%OpinionUndervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$11.09
Graham Number	#NUM!
PEmg	25.23
Current Ratio	2.72
PB Ratio	-62.88
Dividend Yield	1.22%
Number of Consecutive Years of Dividend Growth	6

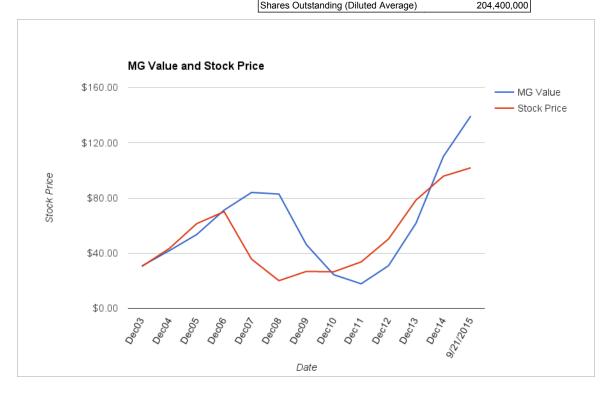
Useful Links: ModernGraham tagged articles Morningstar

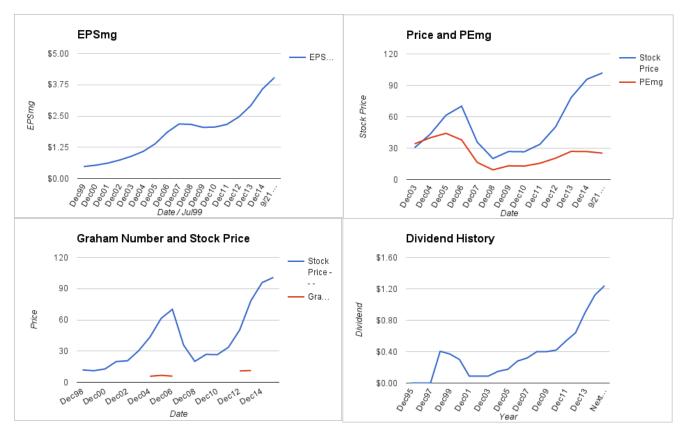
 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History		
Next Fiscal Year Estimate	\$4.55	Next Fiscal Year Estimate		\$4.04
Dec14	\$4.61	Dec14		\$3.58
Dec13	\$3.60	Dec13		\$2.91
Dec12	\$3.05	Dec12		\$2.46
Dec11	\$2.49	Dec11		\$2.16
Dec10	\$2.15	Dec10		\$2.06
Dec09	\$1.69	Dec09		\$2.04
Dec08	\$1.87	Dec08		\$2.17
Dec07	\$2.58	Dec07		\$2.18
Dec06	\$2.58	Dec06		\$1.85
Dec05	\$1.84	Dec05		\$1.39
Dec04	\$1.40	Dec04		\$1.09
Dec03	\$1.20	Dec03		\$0.89
Dec02	\$0.92	Dec02		\$0.74
Dec01	\$0.66	Dec01		\$0.61
Dec00	\$0.49	Dec00		\$0.53
Dec99	\$0.78	Dec99		\$0.48
Dec98	\$0.82	Balance Sheet Information	Jun15	
Dec97	\$0.00	Total Current Assets		\$3,064,000,000
Dec96	\$0.00	Total Current Liabilities		\$1,124,800,000
Dec95	\$0.00	Long-Term Debt		\$3,106,100,000
		Total Assets		\$4,999,500,000
		Intangible Assets		\$1,329,400,000
		Total Liabilities		\$5,330,700,000
		Shares Outstanding (Diluted Average)		204 400 000





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 $\underline{ \text{The Best Stocks of the Financial Services Industry} - \text{September 2015} }$

The 10 Best Stocks For Value Investors This Week – 6/20/15

Moody's Corporation Analysis – June 2015 Update \$MCO

18 Companies in the Spotlight This Week – 3/15/15

Moody's Corporation Quarterly Valuation - March 2015 \$MCO

Other ModernGraham posts about related companies The Best Stocks of the Financial Services Industry – September 2015

Franklin Resources Inc. Analysis – September 2015 \$BEN

Northern Trust Corporation Analysis – September 2015 Update \$NTRS

Legg Mason Analysis – August 2015 Update \$LM

Capital One Financial Corporation Analysis – August 2015 Update \$COF

Affiliated Managers Group Analysis – Initial Coverage \$AMG

Visa Inc. Analysis – August 2015 Update \$V

Ameriprise Financial Inc. Analysis – August 2015 Update \$AMP

SLM Corporation Analysis – August 2015 Update \$SLM

Western Union Company Analysis – 2015 Update \$WU