

ModernGraham Valuation

Company Name:

Walt Disney Co

Company Ticker

DIS

Date of Analysis

12/10/2015



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.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$185,915,360,853	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.03	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	132.27%	Pass
6. Moderate PEmg Ratio	PEmg < 20	24.03	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.24	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	1.03	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	30.13	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	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.63
MG Growth Estimate	12.72%
MG Value	\$157.29
MG Value based on 3% Growth	\$67.20
MG Value based on 0% Growth	\$39.39
Market Implied Growth Rate	7.77%

MG Opinion

Current Price	\$111.39
% of Intrinsic Value	70.82%
Opinion	Undervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.88
Graham Number	\$58.42
PEmg	24.03
Current Ratio	1.03
PB Ratio	4.24
Dividend Yield	1.62%
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	\$5.45	Next Fiscal Year Estimate	\$4.63
Sep15	\$4.90	Sep15	\$4.03
Sep14	\$4.26	Sep14	\$3.42
Sep13	\$3.38	Sep13	\$2.85
Sep12	\$3.13	Sep12	\$2.51
Sep11	\$2.52	Sep11	\$2.19
Sep10	\$2.03	Sep10	\$2.01
Sep09	\$1.76	Sep09	\$1.94
Sep08	\$2.28	Sep08	\$1.92
Sep07	\$2.25	Sep07	\$1.61
Sep06	\$1.64	Sep06	\$1.20
Sep05	\$1.19	Sep05	\$0.88
Sep04	\$1.07	Sep04	\$0.67
Sep03	\$0.59	Sep03	\$0.47
Sep02	\$0.60	Sep02	\$0.45
Sep01	-\$0.02	Sep01	\$0.45
Sep00	\$0.57	Sep00	\$0.70
Sep99	\$0.62	Balance Sheet Information Sep15	
Sep98	\$0.89	Total Current Assets	\$16,758,000,000
Sep97	\$0.95	Total Current Liabilities	\$16,334,000,000
Sep96	\$0.65	Long-Term Debt	\$12,773,000,000
		Total Assets	\$88,182,000,000
		Intangible Assets	\$34,998,000,000
		Total Liabilities	\$43,657,000,000
		Shares Outstanding (Diluted Average)	1,694,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author held a long position in DIS 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

[26 Companies in the Spotlight This Week – 11/22/14](#)
[The Walt Disney Company Annual Valuation – 2014 \\$DIS](#)
[Throwback Thursday – One Share Challenge](#)
[ModernGraham Valuation: The Walt Disney Company \(DIS\)](#)
[Valuation: Walt Disney Company \(DIS\)](#)

Other
ModernGraham
posts about related
companies

[Wal-Mart Stores Inc. Valuation – November 2015 Update \\$WMT](#)
[CBS Corporation Valuation – November 2015 Update \\$CBS](#)
[Time Warner Cable Inc. Valuation – November 2015 Update \\$TWC](#)
[News Corporation Valuation – November 2015 Update \\$NWSA](#)
[The Best Companies of the Media Entertainment Industry – October 2015](#)
[Twenty-First Century Fox Inc. Valuation – October 2015 Update \\$FOXA](#)
[Graham Holdings Company Analysis – September 2015 Update \\$GHC](#)
[Scripps Networks Interactive Inc. Analysis – September 2015 Update \\$SNI](#)
[AMC Networks Inc. Analysis – Initial Coverage \\$AMCX](#)
[CBS Corporation Analysis – August 2015 Update \\$CBS](#)