ModernGraham Valuation

Company Name:

Date of Analysis

Walt Disney Co

Company Ticker DIS

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.

 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

Moderate PEmg Ratio
 PEmg < 20
 August = PEmg Ratio
 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

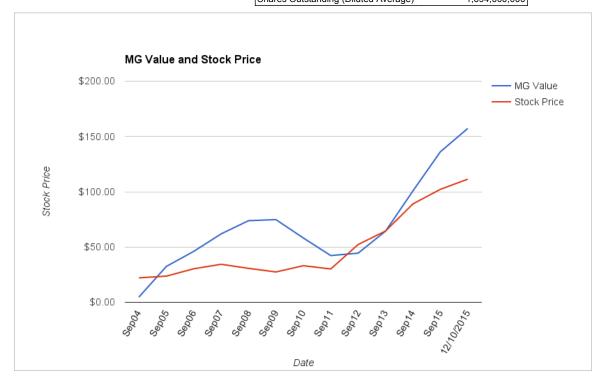
Stage 3: Information for Further Research

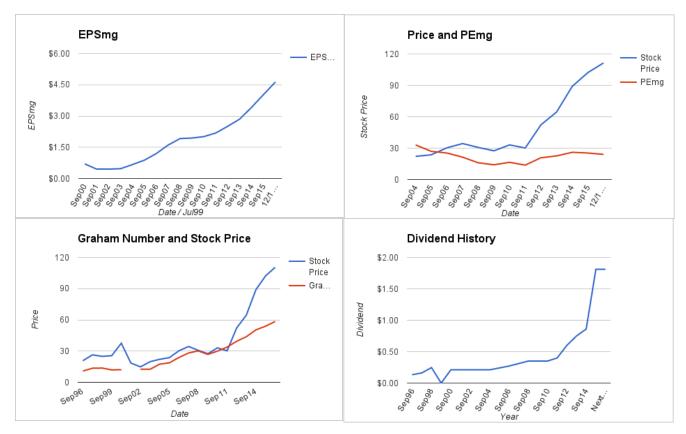
Net Current Asset Value (NCAV)	-\$15.88
Graham Number	\$58.42
PEmg	24.03
Current Ratio	1.03
PB Ratio	4.24
Dividend Yield	1.62%
Number of Consecutive Years of Dividend Growth	6

Useful Links: ModernGraham tagged articles Morningstar

Google FinanceMSN MoneyYahoo FinanceSeeking AlphaGuruFocusSEC 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

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CBS Corporation Valuation – November 2015 Update \$CBS

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Twenty-First Century Fox Inc. Valuation – October 2015 Update \$FOXA

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Scripps Networks Interactive Inc. Analysis – September 2015 Update \$SNI

AMC Networks Inc. Analysis – Initial Coverage \$AMCX

CBS Corporation Analysis – August 2015 Update \$CBS