

# ModernGraham Valuation

Company Name:

Wal-Mart Stores, Inc.

Company Ticker WMT

Date of Analysis

5/19/2016



## 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	\$195,420,402,125	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.93	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	32.68%	Fail
6. Moderate PEmg Ratio	PEmg < 20	13.95	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.52	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	0.93	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-10.05	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.53
MG Growth Estimate	0.12%
<b>MG Value</b>	<b>\$39.55</b>
MG Value based on 3% Growth	\$65.65
MG Value based on 0% Growth	\$38.48
Market Implied Growth Rate	2.72%

### MG Opinion

Current Price	\$63.14
% of Intrinsic Value	159.64%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

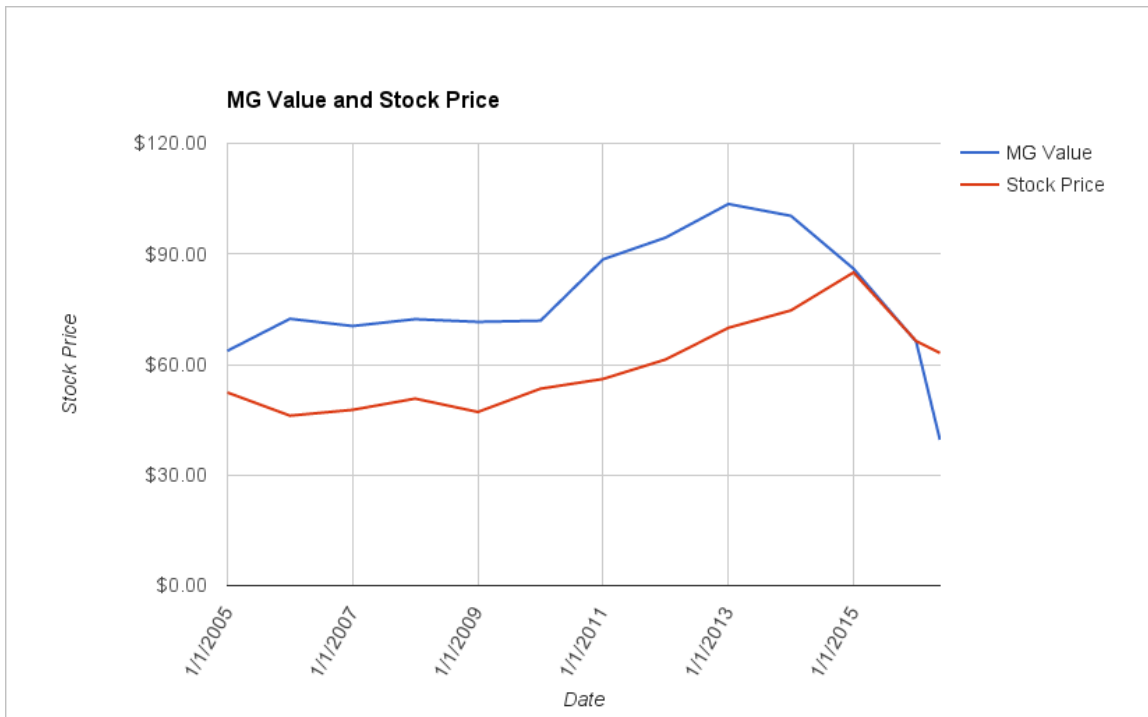
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$18.28
Graham Number	\$47.52
PEmg	13.95
Current Ratio	0.93
PB Ratio	2.52
Current Dividend	\$1.96
Dividend Yield	3.10%
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>

EPS History			EPSmg History		
Next Fiscal Year Estimate		\$3.94	Next Fiscal Year Estimate		\$4.53
1/1/2016		\$4.57	1/1/2016		\$4.82
1/1/2015		\$5.05	1/1/2015		\$4.89
1/1/2014		\$4.88	1/1/2014		\$4.71
1/1/2013		\$5.02	1/1/2013		\$4.49
1/1/2012		\$4.52	1/1/2012		\$4.10
1/1/2011		\$4.47	1/1/2011		\$3.75
1/1/2010		\$3.70	1/1/2010		\$3.30
1/1/2009		\$3.39	1/1/2009		\$3.02
1/1/2008		\$3.13	1/1/2008		\$2.76
1/1/2007		\$2.71	1/1/2007		\$2.50
1/1/2006		\$2.68	1/1/2006		\$2.29
1/1/2005		\$2.41	1/1/2005		\$2.01
1/1/2004		\$2.07	1/1/2004		\$1.74
1/1/2003		\$1.81	1/1/2003		\$1.51
1/1/2002		\$1.49	1/1/2002		\$1.29
1/1/2001		\$1.40	1/1/2001		\$1.13
1/1/2000		\$1.20	<b>Balance Sheet Information</b>		<b>1/1/2016</b>
1/1/1999		\$0.99	Total Current Assets		\$60,239,000,000
1/1/1998		\$0.78	Total Current Liabilities		\$64,619,000,000
1/1/1997		\$0.67	Long-term Debt		\$44,030,000,000
			Total Assets		\$199,581,000,000
			Intangible Assets		\$16,695,000,000
			Total Liabilities		\$119,035,000,000
			Shares Outstanding (Diluted Average)		3,217,000,000





Disclaimer:

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

The author 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

- [Dividend Growth Stocks for Intelligent Investors – February 2016](#)
- [11 Best Stocks For Value Investors This Week – 11/21/15](#)
- [Wal-Mart Stores Inc. Valuation – November 2015 Update \\$WMT](#)
- [26 Companies in the Spotlight This Week – 11/22/14](#)
- [Wal-Mart Stores Inc. Annual Valuation – 2014 \\$WMT](#)

Other ModernGraham posts about related companies

- [Aaron's Inc Valuation – May 2016 \\$AAN](#)
- [Nordstrom Inc Valuation – May 2016 \\$JWN](#)
- [Tractor Supply Company Valuation – May 2016 \\$TSCO](#)
- [Fossil Group Inc Stock Valuation – February 2016 \\$FOSL](#)
- [TJX Companies Inc Valuation – February 2016 Update \\$TJX](#)
- [Coach Inc Valuation – February 2016 Update \\$COH](#)
- [Tiffany & Company Valuation – February 2016 Update \\$TIF](#)
- [Urban Outfitters Inc Valuation – January 2016 Update \\$URBN](#)
- [TJX Companies Inc Valuation – February 2016 Update \\$TJX](#)
- [Coach Inc Valuation – February 2016 Update \\$COH](#)