

# ModernGraham Valuation

Company Name:

Carnival Corp

Company Ticker CCL

Date of Analysis

7/21/2016



## 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	\$34,384,252,634	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.20	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-10.75%	Fail
5. Earnings Growth	PEmg < 20	19.36	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.50	Pass
7. Moderate Price to Assets			

*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	0.20	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-1.31	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	\$2.34
MG Growth Estimate	1.05%
<b>MG Value</b>	<b>\$24.80</b>
MG Value based on 3% Growth	\$33.94
MG Value based on 0% Growth	\$19.90
Market Implied Growth Rate	5.43%

### MG Opinion

Current Price	\$45.32
% of Intrinsic Value	182.78%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$20.53
Graham Number	\$55.80
PEmg	19.36
Current Ratio	0.20
PB Ratio	1.50
Current Dividend	\$1.25
Dividend Yield	2.76%
Number of Consecutive Years of Dividend Growth	2

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.37	Next Fiscal Year Estimate	\$2.34
Nov2015	\$2.26	Nov2015	\$1.84
Nov2014	\$1.59	Nov2014	\$1.72
Nov2013	\$1.39	Nov2013	\$1.87
Nov2012	\$1.67	Nov2012	\$2.19
Nov2011	\$2.42	Nov2011	\$2.50
Nov2010	\$2.47	Nov2010	\$2.58
Nov2009	\$2.24	Nov2009	\$2.66
Nov2008	\$2.90	Nov2008	\$2.82
Nov2007	\$2.95	Nov2007	\$2.67
Nov2006	\$2.77	Nov2006	\$2.43
Nov2005	\$2.70	Nov2005	\$2.17
Nov2004	\$2.24	Nov2004	\$1.85
Nov2003	\$1.66	Nov2003	\$1.65
Nov2002	\$1.73	Nov2002	\$1.63
Nov2001	\$1.58	Nov2001	\$1.55
Nov2000	\$1.60	Nov2000	\$1.47
Nov1999	\$1.66	<b>Balance Sheet Information 5/1/2016</b>	
Nov1998	\$1.40	Total Current Assets	\$1,600,000,000
Nov1997	\$1.12	Total Current Liabilities	\$7,841,000,000
Nov1996	\$0.98	Long-Term Debt	\$8,183,000,000
		Total Assets	\$39,851,000,000
		Intangible Assets	\$4,324,000,000
		Total Liabilities	\$17,060,000,000
		Shares Outstanding (Diluted Average)	753,000,000





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.

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