

ModernGraham Valuation

Company Name:

Company Ticker NLSN
Date of Analysis

Nielsen N.V. Ordinary
Shares

8/25/2016



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	\$18,753,505,400	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.84	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-205.91%	Fail
5. Earnings Growth	PEmg < 20	32.35	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.47	Fail
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	0.84	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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	\$1.63
MG Growth Estimate	15.00%
MG Value	\$62.60
MG Value based on 3% Growth	\$23.58
MG Value based on 0% Growth	\$13.82
Market Implied Growth Rate	11.92%

MG Opinion

Current Price	\$52.60
% of Intrinsic Value	84.02%
Opinion	Fairly Valued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$25.90
Graham Number	\$23.89
PEmg	32.35
Current Ratio	0.84
PB Ratio	4.47
Current Dividend	\$1.15
Dividend Yield	2.19%
Number of Consecutive Years of Dividend Growth	4

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.12	Next Fiscal Year Estimate	\$1.63
Dec2015	\$1.54	Dec2015	\$1.28
Dec2014	\$1.00	Dec2014	\$1.06
Dec2013	\$1.94	Dec2013	\$0.83
Dec2012	\$0.75	Dec2012	-\$0.01
Dec2011	\$0.23	Dec2011	-\$0.51
Dec2010	\$0.46	Dec2010	-\$0.85
Dec2009	-\$1.79	Dec2009	-\$1.29
Dec2008	-\$2.61	Dec2008	-\$0.87
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information 6/1/2016	
Dec1998	\$0.00	Total Current Assets	\$2,035,000,000
Dec1997	\$0.00	Total Current Liabilities	\$2,415,000,000
Dec1996	\$0.00	Long-Term Debt	\$0
		Total Assets	\$15,718,000,000
		Intangible Assets	\$12,834,000,000
		Total Liabilities	\$11,443,000,000
		Shares Outstanding (Diluted Average)	363,217,000





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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