

ModernGraham Valuation

Company Name:

Company Ticker WYN

Date of Analysis

1/8/2017

Wyndham Worldwide
Corporation



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	\$8,330,284,975	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.95	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-751.34%	Fail
5. Earnings Growth	PEmg < 20	16.81	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	10.66	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	0.95	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-59.27	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.57
MG Growth Estimate	15.00%
MG Value	\$176.12
MG Value based on 3% Growth	\$66.33
MG Value based on 0% Growth	\$38.88
Market Implied Growth Rate	4.15%

MG Opinion

Current Price	\$76.88
% of Intrinsic Value	43.65%
Opinion	Undervalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$64.61
Graham Number	\$29.54
PEmg	16.81
Current Ratio	0.95
PB Ratio	10.66
Current Dividend	\$1.92
Dividend Yield	2.50%
Number of Consecutive Years of Dividend Growth	7

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	\$5.27	Next Fiscal Year Estimate	\$4.57
Dec2015	\$5.14	Dec2015	\$4.00
Dec2014	\$4.18	Dec2014	\$3.27
Dec2013	\$3.21	Dec2013	\$2.69
Dec2012	\$2.75	Dec2012	\$1.81
Dec2011	\$2.51	Dec2011	\$1.05
Dec2010	\$2.05	Dec2010	\$0.29
Dec2009	\$1.61	Dec2009	-\$0.30
Dec2008	-\$6.05	Dec2008	-\$0.74
Dec2007	\$2.20	Dec2007	\$1.88
Dec2006	\$1.44	Dec2006	\$1.70
Dec2005	\$2.15	Dec2005	\$1.68
Dec2004	\$1.74	Dec2004	\$1.29
Dec2003	\$1.49	Dec2003	\$0.91
Dec2002	\$1.54	Dec2002	\$0.51
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information 9/1/2016	
Dec1998	\$0.00	Total Current Assets	\$1,843,000,000
Dec1997	\$0.00	Total Current Liabilities	\$1,931,000,000
Dec1996	\$0.00	Long-Term Debt	\$5,216,000,000
		Total Assets	\$9,743,000,000
		Intangible Assets	\$2,653,000,000
		Total Liabilities	\$8,950,000,000
		Shares Outstanding (Diluted Average)	110,000,000





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

[Wyndham Worldwide Corporation Analysis – August 2015 Update \\$WYN](#)

[19 Companies to Research This Week – 8/23/14](#)

[Wyndham Worldwide Corporation Annual Valuation – 2014 \\$WYN](#)

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[Inter Parfums Inc Valuation – Initial Coverage \\$IPAR](#)

[Church & Dwight Co Inc Valuation – Initial Coverage \\$CHD](#)

[Service Corporation Intl Valuation – Initial Coverage \\$SCI](#)

[Avon Products Inc Valuation – July 2016 \\$AVP](#)

[Procter & Gamble Co Valuation – July 2016 \\$PG](#)

[International Flavors & Fragrances Inc Valuation – June 2016 \\$IFF](#)

[Kimberly-Clark Corporation Valuation – June 2016 \\$KMB](#)

[Estee Lauder Companies Inc Valuation – May 2016 \\$EL](#)

[Colgate-Palmolive Co Valuation – January 2016 Update \\$CL](#)

[International Flavors & Fragrances Valuation – December 2015 Update \\$IFF](#)