

# ModernGraham Valuation

Company Name:

Macy's Inc

Company Ticker M

Date of Analysis

3/31/2018



## 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	\$9,057,803,923	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.47	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	83.45%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	8.30	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.61	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	1.47	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.47	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		Fail
	Score		

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.58
MG Growth Estimate	-0.09%
<b>MG Value</b>	<b>\$29.78</b>
MG Value based on 3% Growth	\$51.95
MG Value based on 0% Growth	\$30.45
Market Implied Growth Rate	-0.10%

### MG Opinion

Current Price	\$29.74
% of Intrinsic Value	99.88%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>A-</b>

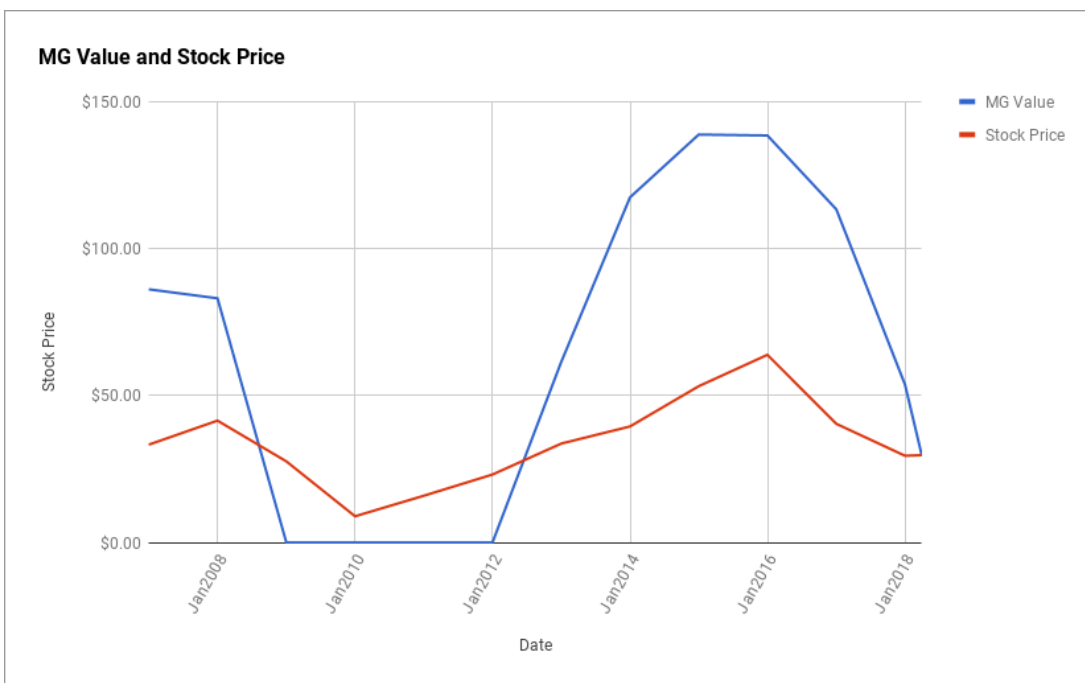
## Stage 3: Information for Further Research

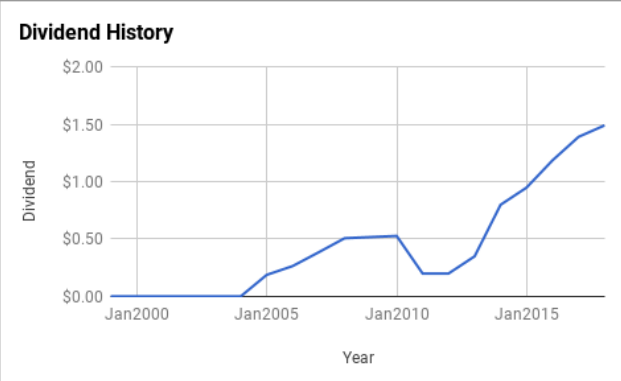
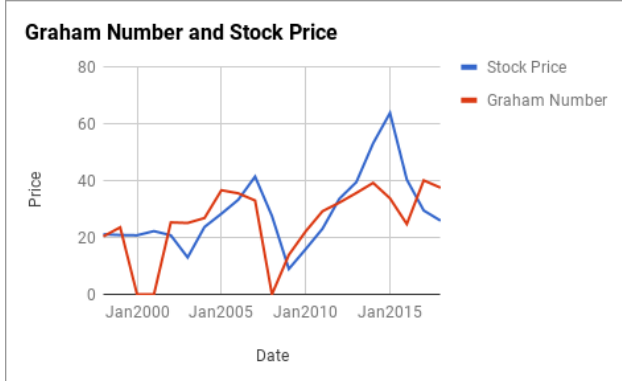
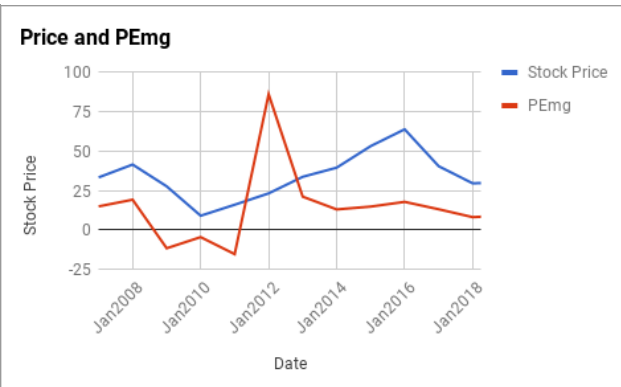
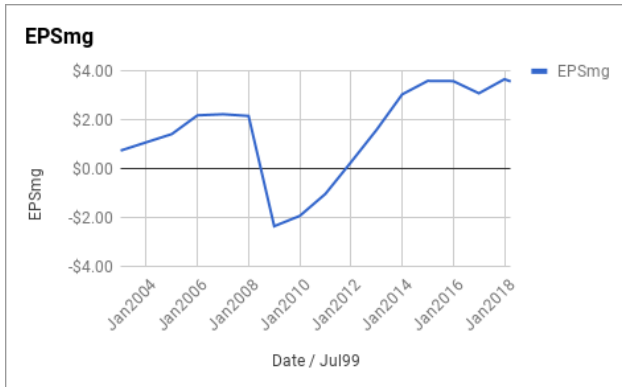
Net Current Asset Value (NCAV)	-\$20.38
Graham Number	\$37.56
PEmg	8.30
Current Ratio	1.47
PB Ratio	1.61
Current Dividend	\$1.51
Dividend Yield	5.08%
Number of Consecutive Years of Dividend Growth	7

### 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>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.39	Next Fiscal Year Estimate	\$3.58
Jan2018	\$5.04	Jan2018	\$3.67
Jan2017	\$1.99	Jan2017	\$3.10
Jan2016	\$3.22	Jan2016	\$3.60
Jan2015	\$4.22	Jan2015	\$3.61
Jan2014	\$3.86	Jan2014	\$3.05
Jan2013	\$3.24	Jan2013	\$1.60
Jan2012	\$2.92	Jan2012	\$0.27
Jan2011	\$1.98	Jan2011	-\$1.03
Jan2010	\$0.78	Jan2010	-\$1.93
Jan2009	-\$11.40	Jan2009	-\$2.35
Jan2008	\$1.97	Jan2008	\$2.17
Jan2007	\$1.81	Jan2007	\$2.24
Jan2006	\$3.24	Jan2006	\$2.19
Jan2005	\$1.93	Jan2005	\$1.43
Jan2004	\$1.86	Jan2004	\$1.09
Jan2003	\$2.06	Jan2003	\$0.75
Jan2002	-\$0.71	<b>Balance Sheet Information 1/1/2018</b>	
Jan2001	-\$0.45	Total Current Assets	\$7,444,000,000
Jan2000	\$1.81	Total Current Liabilities	\$5,075,000,000
Jan1999	\$1.48	Long-Term Debt	\$5,861,000,000
		Total Assets	\$19,381,000,000
		Intangible Assets	\$4,385,000,000
		Total Liabilities	\$13,708,000,000
		Shares Outstanding (Diluted Average)	307,400,000





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**

- [27 Companies in the Spotlight This Week – 2/14/15](#)
- [Macy's Inc. Annual Valuation – 2015 \\$M](#)
- [15 Companies in the Spotlight This Week – 2/8/14](#)
- [Macy's, Inc. \(M\) Annual Valuation](#)

**Other ModernGraham posts about related companies**

- [Walgreens Boots Alliance Inc Valuation – March 2018 \\$WBA](#)
- [Bed Bath & Beyond Inc Valuation – March 2018 \\$BBBY](#)
- [Ross Stores Inc Valuation – March 2018 \\$ROST](#)
- [Nordstrom Inc Valuation – February 2018 \\$JWN](#)
- [Walmart Inc Valuation – February 2018 \\$WMT](#)
- [Costco Wholesale Corp Valuation – September 2017 \\$COST](#)
- [McKesson Corp Valuation – August 2017 \\$MCK](#)
- [Big 5 Sporting Goods Corp Valuation – Initial Coverage \\$BGFV](#)
- [Amazon.com Inc Valuation – August 2017 \\$AMZN](#)
- [Fossil Group Inc Valuation – March 2017 \\$FOSL](#)