

ModernGraham Valuation

Williams Companies
Inc



Company Name:

Company Ticker

WMB

Date of Analysis

3/9/2018

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	\$23,148,904,604	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.82	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	-426.32%	Fail
5. Earnings Growth	PEmg < 20	34.09	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.41	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	0.82	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-43.76	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.82
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$11.91
MG Value based on 0% Growth	\$6.98
Market Implied Growth Rate	12.80%

MG Opinion

Current Price	\$28.00
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

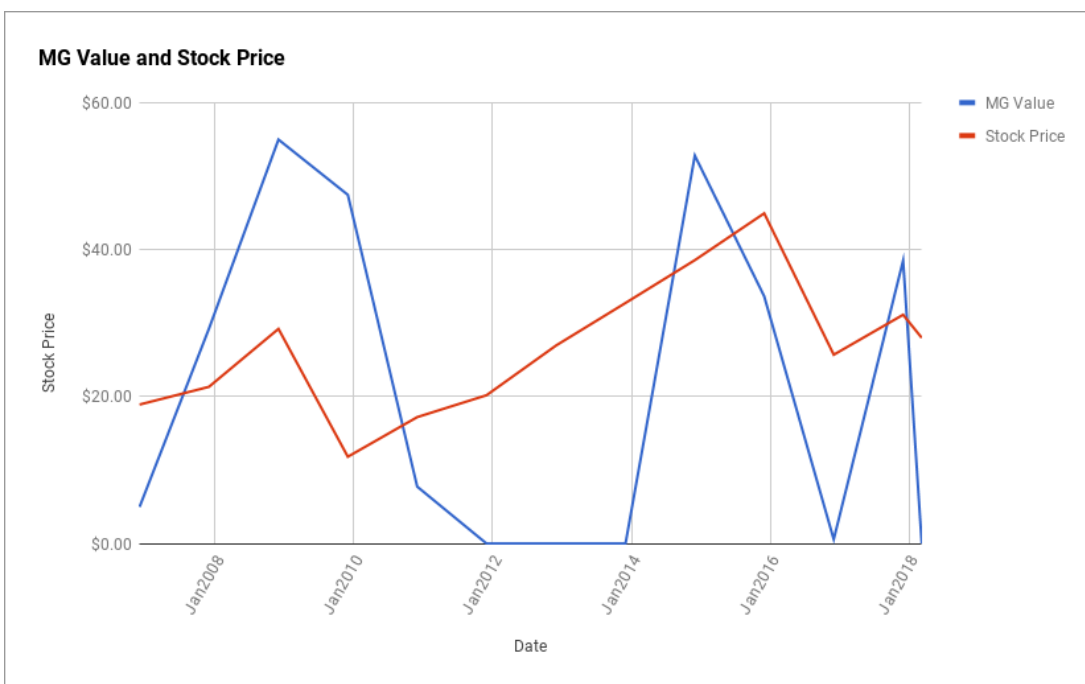
Net Current Asset Value (NCAV)	-\$41.61
Graham Number	\$10.63
PEmg	34.09
Current Ratio	0.82
PB Ratio	2.41
Current Dividend	\$1.20
Dividend Yield	4.29%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$0.43		\$0.82
Dec2017	\$2.62	Dec2017	\$1.00
Dec2016	-\$0.57	Dec2016	\$0.37
Dec2015	-\$0.76	Dec2015	\$0.87
Dec2014	\$2.92	Dec2014	\$1.37
Dec2013	\$0.62	Dec2013	\$0.48
Dec2012	\$1.37	Dec2012	\$0.47
Dec2011	\$0.63	Dec2011	\$0.24
Dec2010	-\$1.88	Dec2010	\$0.24
Dec2009	\$0.49	Dec2009	\$1.23
Dec2008	\$2.40	Dec2008	\$1.43
Dec2007	\$1.63	Dec2007	\$0.76
Dec2006	\$0.51	Dec2006	\$0.13
Dec2005	\$0.53	Dec2005	-\$0.22
Dec2004	\$0.31	Dec2004	-\$0.54
Dec2003	-\$1.01	Dec2003	-\$0.78
Dec2002	-\$1.64	Dec2002	-\$0.50
Dec2001	-\$0.95	Balance Sheet Information 12/1/2017	
Dec2000	\$1.17	Total Current Assets	\$2,179,000,000
Dec1999	\$0.35	Total Current Liabilities	\$2,646,000,000
Dec1998	\$0.28	Long-Term Debt	\$20,434,000,000
		Total Assets	\$46,352,000,000
		Intangible Assets	\$8,791,000,000
		Total Liabilities	\$36,696,000,000
		Shares Outstanding (Diluted Average)	829,622,000





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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