

# ModernGraham Valuation

Company Name:

Nasdaq Inc

Company Ticker NDAQ

Date of Analysis

4/2/2018



## 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  | \$14,245,932,961 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2  | 1.05             | 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 | 81.17%           | Pass |
| 5. Earnings Growth                         |  |                  |      |
| 6. Moderate PEmg Ratio                     | PEmg < 20  | 25.72            | Fail |
| 7. Moderate Price to Assets                | PB Ratio < 2.5 OR PB*PEmg < 50   | 2.46             | 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            | 1.05  | Fail |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1              | 13.96 | 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

|                     |           |
|---------------------|-----------|
| <b>Defensive</b>    | <b>No</b> |
| <b>Enterprising</b> | <b>No</b> |

## Stage 2: Determination of Intrinsic Value

|                             |                |
|-----------------------------|----------------|
| EPSmg                       | \$3.33         |
| MG Growth Estimate          | 7.48%          |
| <b>MG Value</b>             | <b>\$78.03</b> |
| MG Value based on 3% Growth | \$48.22        |
| MG Value based on 0% Growth | \$28.27        |
| Market Implied Growth Rate  | 8.61%          |

### MG Opinion

|                      |                      |
|----------------------|----------------------|
| Current Price        | \$85.53              |
| % of Intrinsic Value | 109.62%              |
| <b>Opinion</b>       | <b>Fairly Valued</b> |
| <b>MG Grade</b>      | <b>D</b>             |

## Stage 3: Information for Further Research

|  |          |
|--|----------|
| Net Current Asset Value (NCAV)                 | -\$25.76 |
| Graham Number                                  | \$60.10  |
| PEmg   | 25.72    |
| Current Ratio                                  | 1.05     |
| PB Ratio                                       | 2.46     |
| Current Dividend                               | \$1.46   |
| Dividend Yield                                 | 1.71%    |
| Number of Consecutive Years of Dividend Growth | 6        |

### 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 | \$4.65  | Next Fiscal Year Estimate                  | \$3.33           |
| Dec2017                   | \$4.33  | Dec2017                                    | \$2.58           |
| Dec2016                   | \$0.64  | Dec2016                                    | \$1.79           |
| Dec2015                   | \$2.50  | Dec2015                                    | \$2.34           |
| Dec2014                   | \$2.39  | Dec2014                                    | \$2.22           |
| Dec2013                   | \$2.25  | Dec2013                                    | \$2.06           |
| Dec2012                   | \$2.04  | Dec2012                                    | \$1.91           |
| Dec2011                   | \$2.15  | Dec2011                                    | \$1.91           |
| Dec2010                   | \$1.91  | Dec2010                                    | \$1.80           |
| Dec2009                   | \$1.25  | Dec2009                                    | \$1.69           |
| Dec2008                   | \$1.55  | Dec2008                                    | \$1.70           |
| Dec2007                   | \$3.46  | Dec2007                                    | \$1.42           |
| Dec2006                   | \$0.95  | Dec2006                                    | \$0.30           |
| Dec2005                   | \$0.57  | Dec2005                                    | -\$0.03          |
| Dec2004                   | -\$0.02 | Dec2004                                    | -\$0.25          |
| Dec2003                   | -\$1.45 | Dec2003                                    | -\$0.22          |
| Dec2002                   | \$0.40  | Dec2002                                    | \$0.41           |
| Dec2001                   | \$0.35  | <b>Balance Sheet Information 12/1/2017</b> |                  |
| Dec2000                   | \$0.21  | Total Current Assets                       | \$5,529,000,000  |
| Dec1999                   | \$0.86  | Total Current Liabilities                  | \$5,262,000,000  |
| Dec1998                   | \$0.35  | Long-Term Debt                             | \$3,727,000,000  |
|                           |         | Total Assets                               | \$15,786,000,000 |
|                           |         | Intangible Assets                          | \$9,054,000,000  |
|                           |         | Total Liabilities                          | \$9,899,000,000  |
|                           |         | Shares Outstanding (Diluted Average)       | 169,642,000      |





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

- [24 Companies in the Spotlight This Week – 3/28/15](#)
- [Nasdaq OMX Group Inc. Annual Valuation – 2015 \\$NDAQ](#)
- [17 Companies in the Spotlight This Week – 3/29/14](#)
- [Nasdaq OMX Group \(NDAQ\) Annual Valuation – 2014](#)

Other ModernGraham posts about related companies

- [Leucadia National Corp Valuation – March 2018 \\$LUK](#)
- [E\\*Trade Financial Corp Valuation – March 2018 \\$ETFC](#)
- [Cboe Global Markets Inc Valuation – Initial Coverage \\$CBOE](#)
- [Raymond James Financial Inc Valuation – March 2018 \\$RJF](#)
- [Marsh & McLennan Companies Inc Valuation – March 2018 \\$MMC](#)
- [Fidelity National Information Services Inc Valuation – March 2018 \\$FIS](#)
- [Intercontinental Exchange Inc Valuation – March 2018 \\$ICE](#)
- [H&R Block Inc Valuation – March 2018 \\$HRB](#)
- [Morgan Stanley Valuation – March 2018 \\$MS](#)
- [BlackRock Inc Valuation – March 2018 \\$BLK](#)