

ModernGraham Valuation

Wyndham Worldwide
Corporation



Company Name:

Company Ticker WYN

Date of Analysis

5/5/2018

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	\$10,908,073,034	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.17	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	236.63%	Pass
6. Moderate PEmg Ratio	PEmg < 20	16.13	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	12.37	Fail

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	1.17	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	13.38	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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$6.59
MG Growth Estimate	15.00%
MG Value	\$253.72
MG Value based on 3% Growth	\$95.56
MG Value based on 0% Growth	\$56.02
Market Implied Growth Rate	3.82%

MG Opinion

Current Price	\$106.30
% of Intrinsic Value	41.90%
Opinion	Undervalued
MG Grade	C

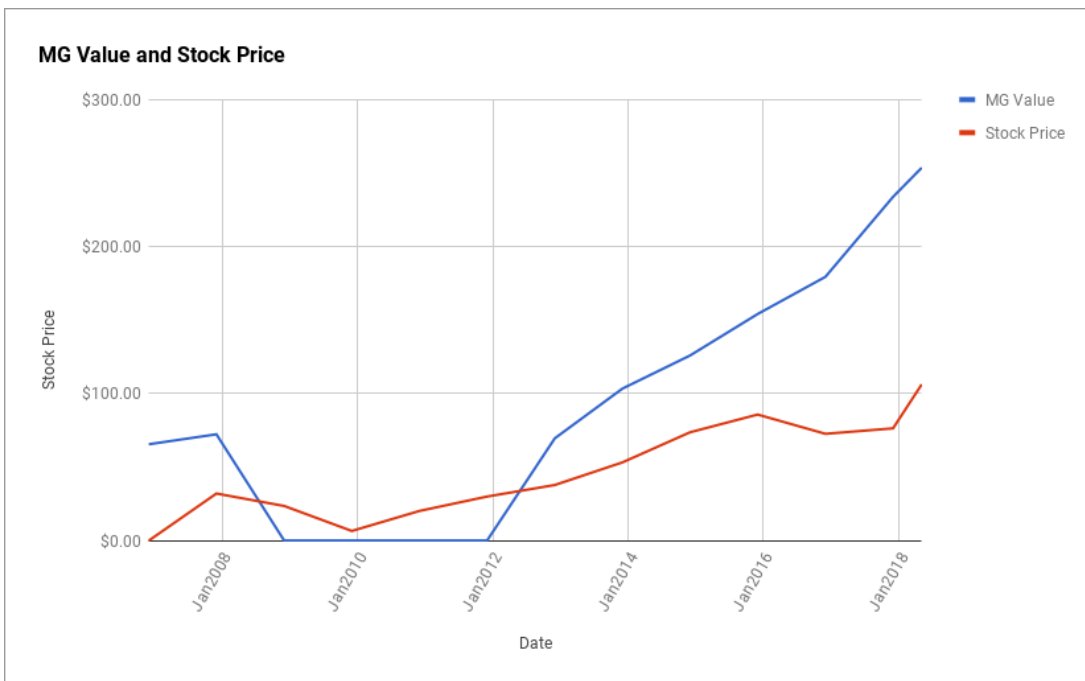
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$64.20
Graham Number	\$36.78
PEmg	16.13
Current Ratio	1.17
PB Ratio	12.37
Current Dividend	\$2.32
Dividend Yield	2.18%
Number of Consecutive Years of Dividend Growth	8

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	\$6.84	Next Fiscal Year Estimate	\$6.59
Dec2017	\$8.40	Dec2017	\$6.07
Dec2016	\$5.53	Dec2016	\$4.66
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	Balance Sheet Information 12/1/2017	
Dec2000	\$0.00	Total Current Assets	\$2,964,000,000
Dec1999	\$0.00	Total Current Liabilities	\$2,539,000,000
Dec1998	\$0.00	Long-Term Debt	\$5,686,000,000
		Total Assets	\$10,403,000,000
		Intangible Assets	\$2,420,000,000
		Total Liabilities	\$9,525,000,000
		Shares Outstanding (Diluted Average)	102,200,000





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 Corp Valuation – January 2017 \\$WYN](#)
 - [Wyndham Worldwide Corporation Analysis – August 2015 Update \\$WYN](#)
 - [19 Companies to Research This Week – 8/23/14](#)
 - [Wyndham Worldwide Corporation Annual Valuation – 2014 \\$WYN](#)

- Other ModernGraham posts about related companies**
- [Carnival Corp Valuation – April 2018 \\$CCL](#)
 - [Marriott International Inc Valuation – March 2018 \\$MAR](#)
 - [Norwegian Cruise Line Holdings Ltd Valuation – Initial Coverage \\$NCLH](#)
 - [Wyndham Worldwide Corp Valuation – January 2017 \\$WYN](#)
 - [ILG Inc Valuation – Initial Coverage \\$ILG](#)
 - [Starwood Hotels & Resorts Worldwide Inc Valuation – August 2016 \\$HOT](#)
 - [Carnival Corp Valuation – July 2016 \\$CCL](#)
 - [Marriott International Inc Valuation – July 2016 \\$MAR](#)
 - [Starwood Hotels & Resorts Worldwide Inc. Analysis – July 2015 Update \\$HOT](#)
 - [Carnival Corporation Annual Valuation – 2015 \\$CCL](#)