

ModernGraham Valuation

Company Name:

Moody's Corporation

Company Ticker MCO

Date of Analysis

6/24/2018



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	\$33,085,476,772	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	121.17%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	34.03	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	79.84	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	1.47	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.70	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	\$5.07
MG Growth Estimate	6.22%
MG Value	\$106.07
MG Value based on 3% Growth	\$73.47
MG Value based on 0% Growth	\$43.07
Market Implied Growth Rate	12.76%

MG Opinion

Current Price	\$172.41
% of Intrinsic Value	162.55%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

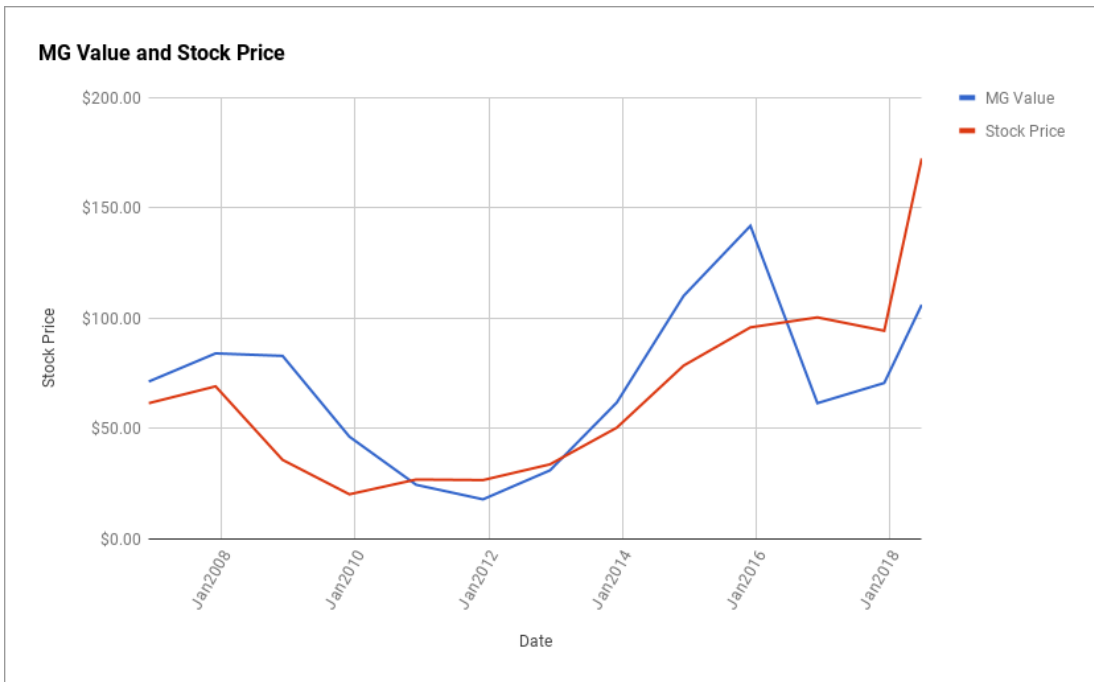
Net Current Asset Value (NCAV)	-\$29.69
Graham Number	\$0.00
PEmg	34.03
Current Ratio	1.47
PB Ratio	79.84
Current Dividend	\$1.52
Dividend Yield	0.88%
Number of Consecutive Years of Dividend Growth	8

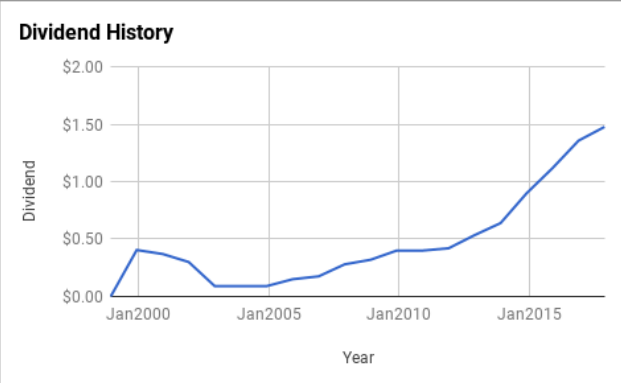
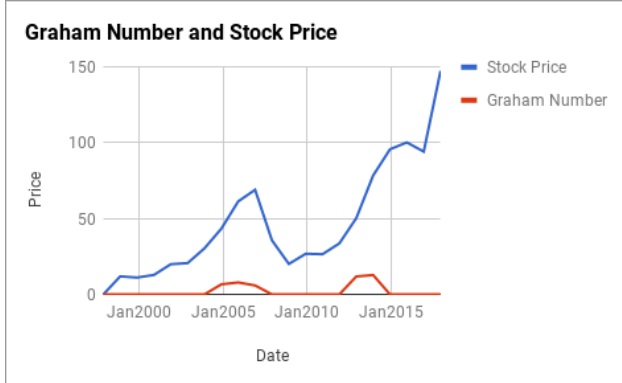
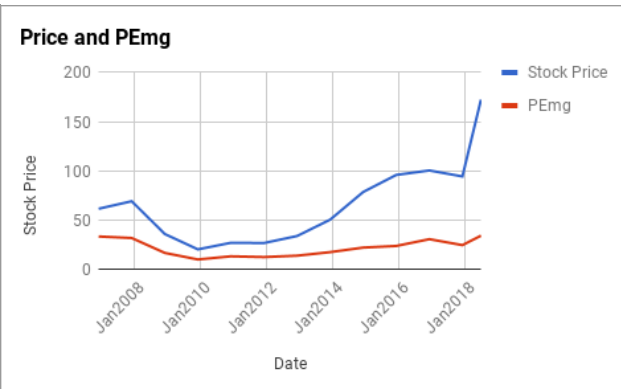
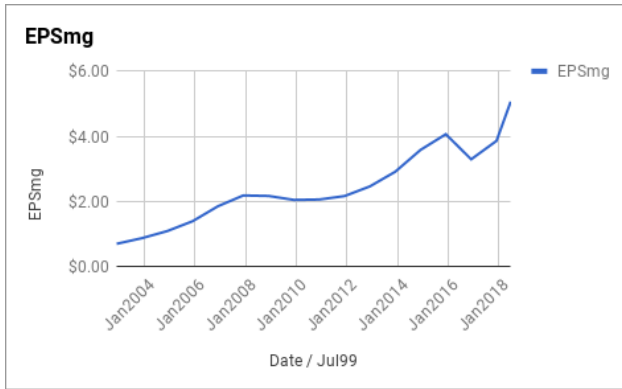
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.49	Next Fiscal Year Estimate	\$5.07
Dec2017	\$5.15	Dec2017	\$3.86
Dec2016	\$1.36	Dec2016	\$3.29
Dec2015	\$4.63	Dec2015	\$4.07
Dec2014	\$4.61	Dec2014	\$3.58
Dec2013	\$3.60	Dec2013	\$2.91
Dec2012	\$3.05	Dec2012	\$2.46
Dec2011	\$2.49	Dec2011	\$2.16
Dec2010	\$2.15	Dec2010	\$2.06
Dec2009	\$1.69	Dec2009	\$2.04
Dec2008	\$1.87	Dec2008	\$2.17
Dec2007	\$2.58	Dec2007	\$2.18
Dec2006	\$2.58	Dec2006	\$1.85
Dec2005	\$1.84	Dec2005	\$1.39
Dec2004	\$1.40	Dec2004	\$1.09
Dec2003	\$1.19	Dec2003	\$0.87
Dec2002	\$0.92	Dec2002	\$0.70
Dec2001	\$0.66	Balance Sheet Information 3/1/2018	
Dec2000	\$0.49	Total Current Assets	\$2,818,800,000
Dec1999	\$0.48	Total Current Liabilities	\$1,920,900,000
Dec1998	\$0.82	Long-Term Debt	\$5,118,000,000
		Total Assets	\$9,014,000,000
		Intangible Assets	\$5,473,100,000
		Total Liabilities	\$8,594,000,000
		Shares Outstanding (Diluted Average)	194,500,000





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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