

# ModernGraham Valuation

Willis Towers Watson  
PLC



Company Name:

Company Ticker WLTW

Date of Analysis

6/10/2018

## 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	\$20,847,850,672	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.11	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	-1.53%	Fail
5. Earnings Growth	PEmg < 20	26.51	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.95	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	1.11	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.50	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.97
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$229.67</b>
MG Value based on 3% Growth	\$86.50
MG Value based on 0% Growth	\$50.71
Market Implied Growth Rate	9.00%

### MG Opinion

Current Price	\$158.13
% of Intrinsic Value	68.85%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information for Further Research

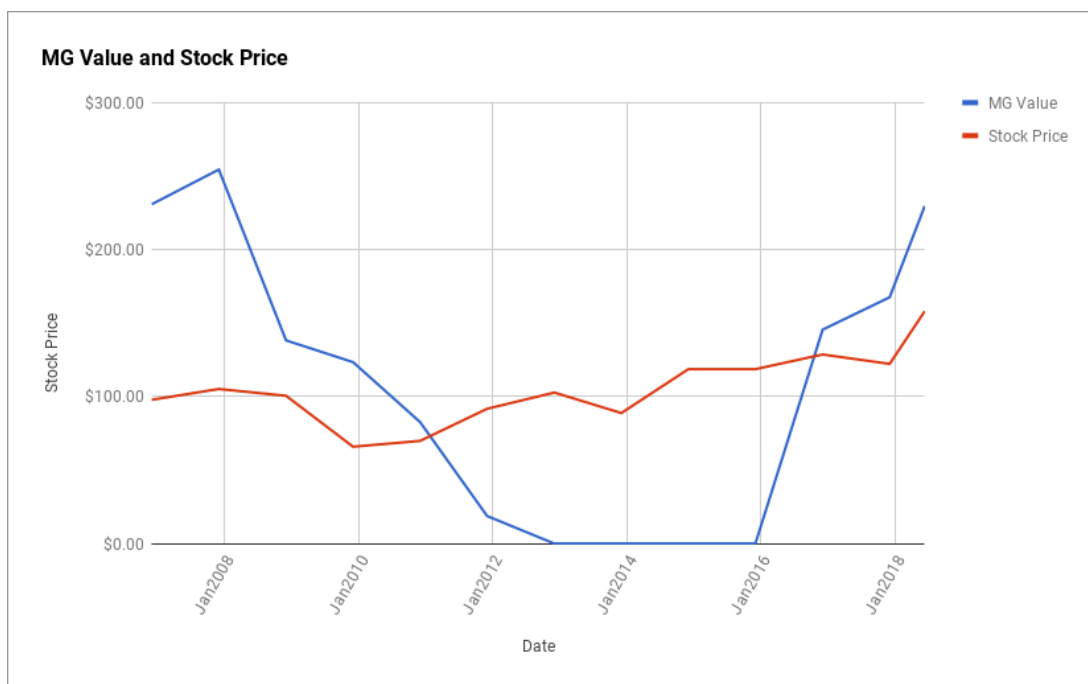
Net Current Asset Value (NCAV)	-\$43.64
Graham Number	\$127.98
PEmg	26.51
Current Ratio	1.11
PB Ratio	1.95
Current Dividend	\$2.12
Dividend Yield	1.34%
Number of Consecutive Years of Dividend Growth	1

### Useful Links:

[ModernGraham tagged articles](#)  
[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)

[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$9.50	Next Fiscal Year Estimate	\$5.97
Dec2017	\$4.18	Dec2017	\$4.35
Dec2016	\$3.04	Dec2016	\$3.78
Dec2015	\$5.41	Dec2015	\$3.59
Dec2014	\$5.32	Dec2014	\$2.72
Dec2013	\$5.37	Dec2013	\$1.98
Dec2012	-\$6.83	Dec2012	\$1.23
Dec2011	\$3.07	Dec2011	\$5.49
Dec2010	\$7.05	Dec2010	\$6.75
Dec2009	\$6.86	Dec2009	\$6.51
Dec2008	\$5.43	Dec2008	\$6.31
Dec2007	\$7.36	Dec2007	\$6.61
Dec2006	\$7.52	Dec2006	\$6.00
Dec2005	\$4.56	Dec2005	\$4.83
Dec2004	\$6.41	Dec2004	\$4.36
Dec2003	\$5.75	Dec2003	\$2.85
Dec2002	\$3.39	Dec2002	\$1.17
Dec2001	\$0.03	<b>Balance Sheet Information</b> <b>3/1/2018</b>	
Dec2000	\$0.19	Total Current Assets	\$17,606,000,000
Dec1999	\$0.00	Total Current Liabilities	\$15,804,000,000
Dec1998	\$0.00	Long-Term Debt	\$4,507,000,000
		Total Assets	\$34,212,000,000
		Intangible Assets	\$14,316,000,000
		Total Liabilities	\$23,410,000,000
		Shares Outstanding (Diluted Average)	133,000,000





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

#N/A

Other  
ModernGraham  
posts about related  
companies

[Synchrony Financial Valuation – June 2018 \\$SYF](#)  
[CBRE Group Inc Valuation – June 2018 \\$CBRE](#)  
[Franklin Resources Inc Valuation – May 2018 \\$BEN](#)  
[S&P Global Inc Valuation – May 2018 \\$SPGI](#)  
[Equifax Inc Valuation – May 2018 \\$EFX](#)  
[CME Group Inc Valuation – May 2018 \\$CME](#)  
[Discover Financial Services Valuation – May 2018 \\$DFS](#)  
[Affiliated Managers Group Inc Valuation – May 2018 \\$AMG](#)  
[The Western Union Co Valuation – April 2018 \\$WU](#)  
[Northern Trust Corp Valuation – April 2018 \\$NTRS](#)