

ModernGraham Valuation

Company Name:

Walt Disney Co

Company Ticker

DIS

Date of Analysis

11/21/2018



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	\$168,668,171,474	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.94	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	178.13%	Pass
5. Earnings Growth	PEmg < 20	16.44	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.21	Fail
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	0.94	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-16.51	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	\$6.89
MG Growth Estimate	10.66%
MG Value	\$205.58
MG Value based on 3% Growth	\$99.97
MG Value based on 0% Growth	\$58.60
Market Implied Growth Rate	3.97%

MG Opinion

Current Price	\$113.37
% of Intrinsic Value	55.15%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$19.33
Graham Number	\$73.44
PEmg	16.44
Current Ratio	0.94
PB Ratio	3.21
Current Dividend	\$1.68
Dividend Yield	1.48%
Number of Consecutive Years of Dividend Growth	2

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	\$6.89
Sep2018	\$8.36	Sep2018	\$6.39
Sep2017	\$5.69	Sep2017	\$5.20
Sep2016	\$5.73	Sep2016	\$4.73
Sep2015	\$4.90	Sep2015	\$4.03
Sep2014	\$4.26	Sep2014	\$3.42
Sep2013	\$3.38	Sep2013	\$2.85
Sep2012	\$3.13	Sep2012	\$2.51
Sep2011	\$2.52	Sep2011	\$2.19
Sep2010	\$2.03	Sep2010	\$2.01
Sep2009	\$1.76	Sep2009	\$1.94
Sep2008	\$2.28	Sep2008	\$1.92
Sep2007	\$2.25	Sep2007	\$1.61
Sep2006	\$1.64	Sep2006	\$1.20
Sep2005	\$1.19	Sep2005	\$0.88
Sep2004	\$1.07	Sep2004	\$0.67
Sep2003	\$0.59	Sep2003	\$0.47
Sep2002	\$0.60	Balance Sheet Information	
Sep2001	-\$0.02	9/1/2018	
Sep2000	\$0.57	Total Current Assets	\$16,825,000,000
Sep1999	\$0.62	Total Current Liabilities	\$17,860,000,000
		Long-Term Debt	\$17,084,000,000
		Total Assets	\$98,598,000,000
		Intangible Assets	\$38,081,000,000
		Total Liabilities	\$45,766,000,000
		Shares Outstanding (Diluted Average)	1,497,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author held a long position in DIS at the time of publication and had no intention of changing those holdings within the next 72 hours.

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