

ModernGraham Valuation

Company Name:

Macy's Inc

Company Ticker M

Date of Analysis

1/31/2019



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	\$7,941,872,586	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.34	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	88.38%	Pass
5. Earnings Growth	PEmg < 20	7.01	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.42	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	1.34	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.46	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.68
MG Growth Estimate	0.29%
MG Value	\$33.41
MG Value based on 3% Growth	\$53.30
MG Value based on 0% Growth	\$31.25
Market Implied Growth Rate	-0.75%

MG Opinion

Current Price	\$25.76
% of Intrinsic Value	77.11%
Opinion	Fairly Valued
MG Grade	A-

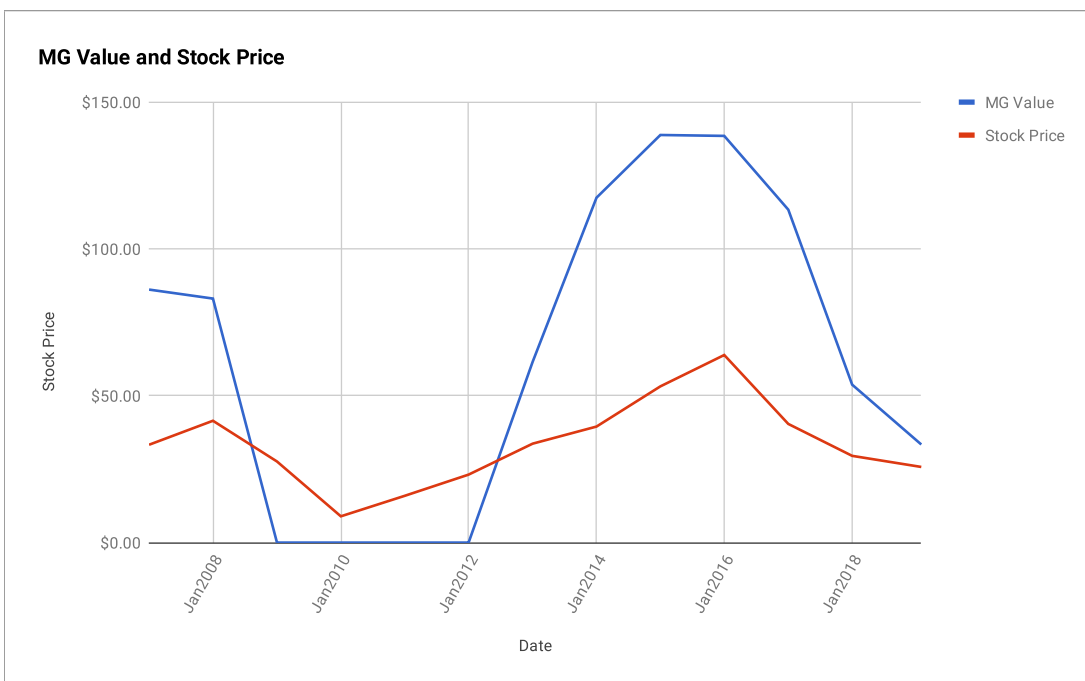
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$19.38
Graham Number	\$39.21
PEmg	7.01
Current Ratio	1.34
PB Ratio	1.42
Current Dividend	\$1.51
Dividend Yield	5.86%
Number of Consecutive Years of Dividend Growth	7

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		Next Fiscal Year Estimate	\$3.68
Jan2018	\$5.04	Jan2018	\$3.67
Jan2017	\$1.99	Jan2017	\$3.10
Jan2016	\$3.22	Jan2016	\$3.60
Jan2015	\$4.22	Jan2015	\$3.61
Jan2014	\$3.86	Jan2014	\$3.05
Jan2013	\$3.24	Jan2013	\$1.60
Jan2012	\$2.92	Jan2012	\$0.27
Jan2011	\$1.98	Jan2011	-\$1.03
Jan2010	\$0.78	Jan2010	-\$1.93
Jan2009	-\$11.40	Jan2009	-\$2.35
Jan2008	\$1.97	Jan2008	\$2.17
Jan2007	\$1.81	Jan2007	\$2.24
Jan2006	\$3.24	Jan2006	\$2.19
Jan2005	\$1.93	Jan2005	\$1.43
Jan2004	\$1.86	Jan2004	\$1.09
Jan2003	\$2.06	Jan2003	\$0.75
Jan2002	-\$0.71	Balance Sheet Information 10/1/2018	
Jan2001	-\$0.45	Total Current Assets	\$8,667,000,000
Jan2000	\$1.81	Total Current Liabilities	\$6,444,000,000
Jan1999	\$1.48	Long-Term Debt	\$5,469,000,000
		Total Assets	\$20,361,000,000
		Intangible Assets	\$4,389,000,000
		Total Liabilities	\$14,716,000,000
		Shares Outstanding (Diluted Average)	312,200,000





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

- [10 Stocks for Using A Benjamin Graham Value Investing Strategy – May 2018](#)
- [Macy's Inc Valuation – April 2018 \\$M](#)
- [Macy's Inc Valuation – July 2016 \\$M](#)
- [27 Companies in the Spotlight This Week – 2/14/15](#)
- [Macy's Inc. Annual Valuation – 2015 \\$M](#)

Other ModernGraham posts about related companies

- [Ross Stores Inc Valuation – January 2019 \\$ROST](#)
- [Walgreens Boots Alliance Inc Valuation – December 2018 \\$WBA](#)
- [Nordstrom Inc Valuation – December 2018 \\$JWN](#)
- [Walmart Inc Valuation – November 2018 \\$WMT](#)
- [Canadian Tire Corp Ltd Valuation – August 2018 \\$TSE:CTC.A](#)
- [McKesson Corp Valuation – June 2018 \\$MCK](#)
- [Big 5 Sporting Goods Corp Valuation – June 2018 \\$BGFV](#)
- [Amazon.com Inc Valuation – June 2018 \\$AMZN](#)
- [Fossil Group Inc Valuation – June 2018 \\$FOSL](#)
- [Costco Wholesale Corp Valuation – June 2018 \\$COST](#)