ModernGraham Valuation

Company Name:

Msci Inc

Company Ticker MSCI

Date of Analysis 1/14/2019



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.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$13,531,533,038 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.75 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	267.88% Pass
6. Moderate PEmg Ratio	PEmg < 20	43.23 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	37.11 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	2.75 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.18 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

118.15%

Score

Suitability

MG Opinion

Defensive No Enterprising Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.56
MG Growth Estimate	14.05%
MG Value	\$130.10
MG Value based on 3% Growth	\$51.55
MG Value based on 0% Growth	\$30.22
Market Implied Growth Rate	17.37%
Current Price	\$153.71

% of Intrinsic Value Opinion Overvalued MG Grade

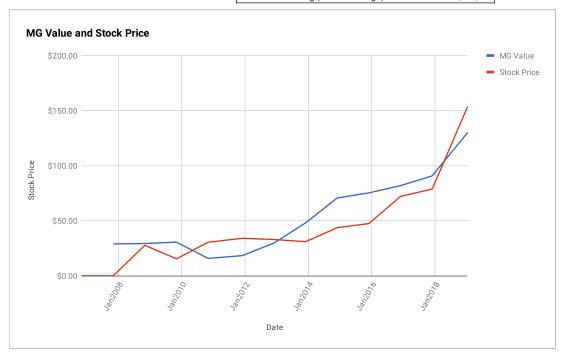
Stage 3: Information for Further Research

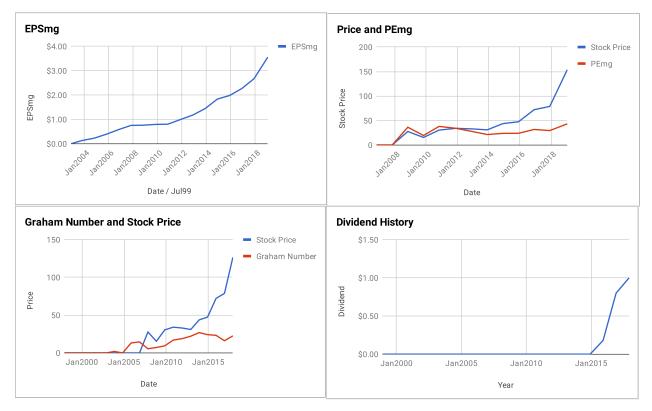
Net Current Asset Value (NCAV)	-\$17.19
Graham Number	\$22.60
PEmg	43.23
Current Ratio	2.75
PB Ratio	37.11
Current Dividend	\$1.32
Dividend Yield	0.86%
Number of Consecutive Years of Dividend	
Growth	4

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EPS History		EPSmg History	
Next Fiscal Year			
Estimate	***	Next Fiscal Year Estimate	\$3.56
Dec2017	\$3.31	Dec2017	\$2.68
Dec2016	\$2.70	Dec2016	\$2.27
Dec2015	\$2.03	Dec2015	\$1.98
Dec2014	\$2.43	Dec2014	\$1.84
Dec2013	\$1.83	Dec2013	\$1.45
Dec2012	\$1.48	Dec2012	\$1.18
Dec2011	\$1.41	Dec2011	\$1.00
Nov2010	\$0.81	Nov2010	\$0.80
Nov2009	\$0.80	Nov2009	\$0.79
Nov2008	\$0.67	Nov2008	\$0.76
Nov2007	\$0.96	Nov2007	\$0.75
Nov2006	\$0.85	Nov2006	\$0.58
Nov2005	\$0.65	Nov2005	\$0.40
Nov2004	\$0.37	Nov2004	\$0.23
Nov2003	\$0.40	Nov2003	\$0.13
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information	9/1/2018
Dec2000	\$0.00	Total Current Assets	\$1,857,346,000
Dec1999	\$0.00	Total Current Liabilities	\$675,050,000
Dec1998	\$0.00	Long-Term Debt	\$2,574,616,000
		Total Assets	\$3,806,405,000
		Intangible Assets	\$1,834,447,000
		Total Liabilities	\$3,427,964,000
		Shares Outstanding (Diluted Average)	91,372,000





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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Capital One Financial Corp Valuation – January 2019 \$COF <u>Total System Services Inc Valuation – December 2018 \$TSS</u> Goldman Sachs Group Inc Valuation - November 2018 \$GS

KKR & Co Inc Valuation – September 2018 \$KKR

CorVel Corp Valuation - August 2018 \$CRVL

Jones Lang LaSalle Inc Valuation - August 2018 \$JLL

Investment Technology Group Inc Valuation - July 2018 \$ITG

Stifel Financial Corp Valuation - July 2018 \$SF