

# ModernGraham Valuation

Williams Companies  
Inc



## Company Name:

Company Ticker WMB

Date of Analysis

1/9/2019

## 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	\$30,487,499,623	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.72	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	-436.84%	Fail
5. Earnings Growth	PEmg < 20	29.71	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.52	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	0.72	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-27.55	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

## Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.85
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	\$12.30
MG Value based on 0% Growth	\$7.21
Market Implied Growth Rate	10.60%

## MG Opinion

Current Price	\$25.19
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information for Further Research

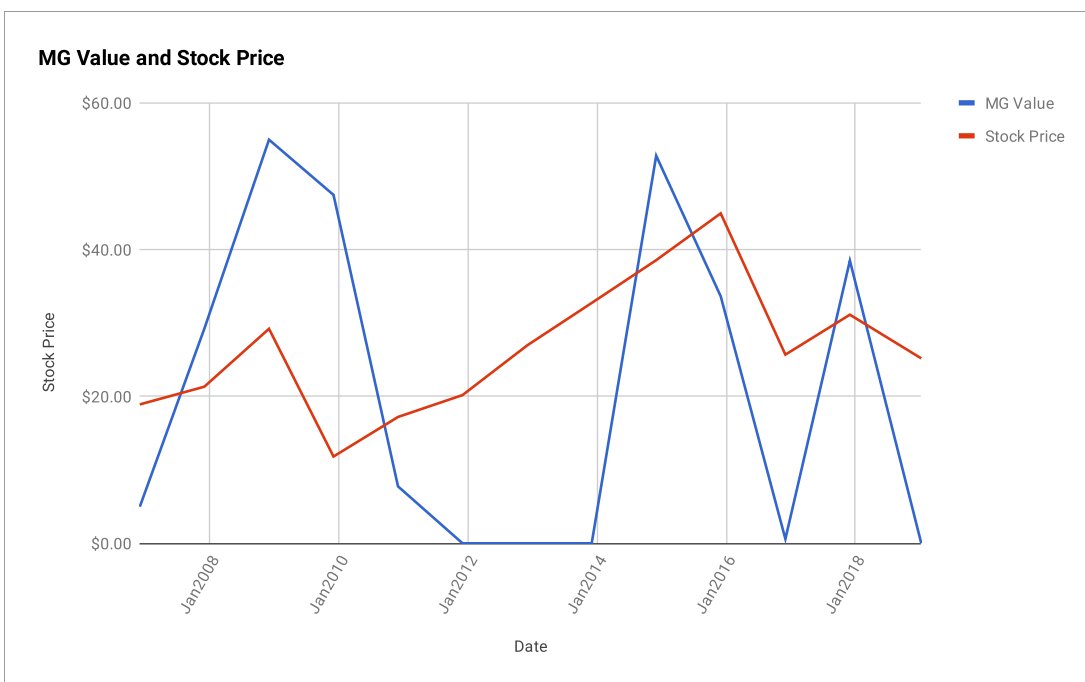
Net Current Asset Value (NCAV)	-\$27.56
Graham Number	\$11.58
PEmg	29.71
Current Ratio	0.72
PB Ratio	1.52
Current Dividend	\$1.20
Dividend Yield	4.76%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$0.51		\$0.85
Dec2017	\$2.62	Dec2017	\$1.00
Dec2016	-\$0.57	Dec2016	\$0.37
Dec2015	-\$0.76	Dec2015	\$0.87
Dec2014	\$2.92	Dec2014	\$1.37
Dec2013	\$0.62	Dec2013	\$0.48
Dec2012	\$1.37	Dec2012	\$0.47
Dec2011	\$0.63	Dec2011	\$0.24
Dec2010	-\$1.88	Dec2010	\$0.24
Dec2009	\$0.49	Dec2009	\$1.23
Dec2008	\$2.40	Dec2008	\$1.43
Dec2007	\$1.63	Dec2007	\$0.76
Dec2006	\$0.51	Dec2006	\$0.13
Dec2005	\$0.53	Dec2005	-\$0.22
Dec2004	\$0.31	Dec2004	-\$0.54
Dec2003	-\$1.01	Dec2003	-\$0.78
Dec2002	-\$1.64	Dec2002	-\$0.50
Dec2001	-\$0.95	<b>Balance Sheet Information</b>	
Dec2000	\$1.17	<b>9/1/2018</b>	
Dec1999	\$0.35	Total Current Assets	\$1,984,000,000
Dec1998	\$0.28	Total Current Liabilities	\$2,761,000,000
		Long-Term Debt	\$21,409,000,000
		Total Assets	\$47,153,000,000
		Intangible Assets	\$8,324,000,000
		Total Liabilities	\$30,194,000,000
		Shares Outstanding (Diluted Average)	1,023,587,000





**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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[Williams Companies Inc Valuation – June 2016 \\$WMB](#)  
[34 Companies in the Spotlight This Week – 2/7/15](#)  
[Williams Companies Annual Valuation – 2015 \\$WMB](#)  
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[Chevron Corp Valuation – November 2018 \\$CVX](#)  
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[CNX Resources Corp Valuation – September 2018 \\$CNX](#)  
[Carbo Ceramics Inc Valuation – August 2018 \\$CRR](#)  
[Murphy Oil Corp Valuation – August 2018 \\$MUR](#)  
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