

ModernGraham Valuation

Company Name:

Carnival Corp

Company Ticker CCL

Date of Analysis

2/1/2019



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	\$39,803,267,660	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.24	Fail
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 beginning and end	93.60%	Pass
5. Earnings Growth	PEmg < 20	14.08	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.65	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	0.24	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-1.13	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	\$4.11
MG Growth Estimate	15.00%
MG Value	\$158.06
MG Value based on 3% Growth	\$59.53
MG Value based on 0% Growth	\$34.90
Market Implied Growth Rate	2.79%

MG Opinion

Current Price	\$57.79
% of Intrinsic Value	36.56%
Opinion	Undervalued
MG Grade	B-

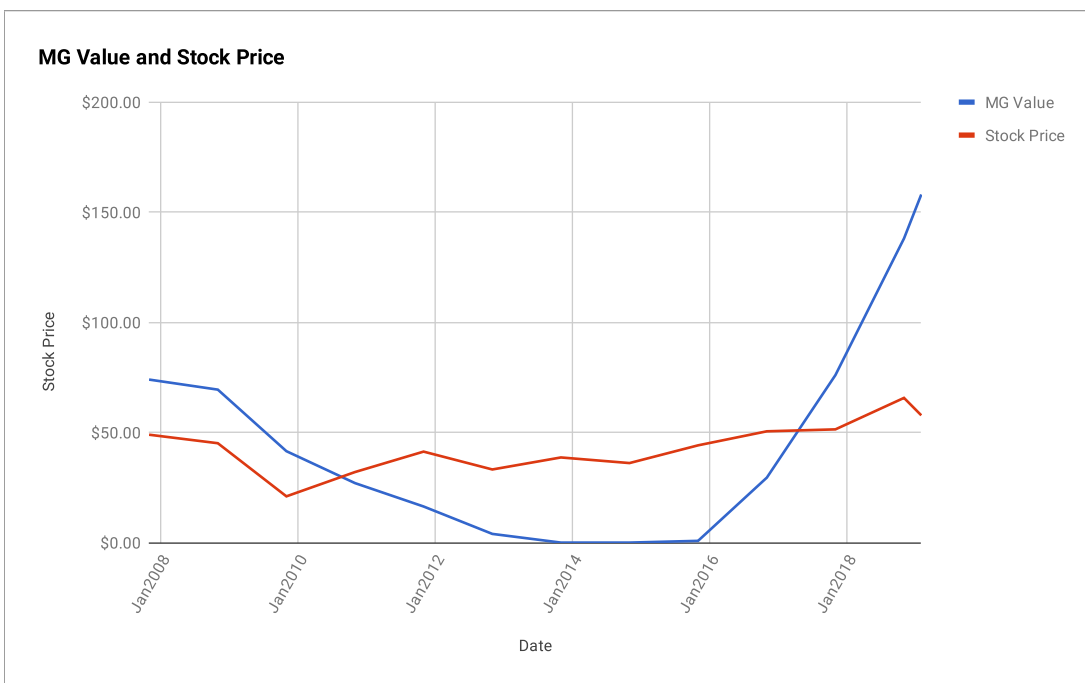
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$22.48
Graham Number	\$59.51
PEmg	14.08
Current Ratio	0.24
PB Ratio	1.65
Current Dividend	\$1.95
Dividend Yield	3.37%
Number of Consecutive Years of Dividend Growth	4

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	\$4.11
Nov2018	\$4.67	Nov2018	\$3.59
Nov2017	\$4.44	Nov2017	\$2.94
Nov2016	\$3.59	Nov2016	\$2.45
Nov2015	\$3.72	Nov2015	\$1.83
Nov2014	\$2.26	Nov2014	\$1.70
Nov2013	\$1.56	Nov2013	\$1.86
Nov2012	\$1.36	Nov2012	\$2.19
Nov2011	\$1.67	Nov2011	\$2.50
Nov2010	\$2.42	Nov2010	\$2.58
Nov2009	\$2.47	Nov2009	\$2.66
Nov2008	\$2.24	Nov2008	\$2.82
Nov2007	\$2.90	Nov2007	\$2.67
Nov2006	\$2.95	Nov2006	\$2.42
Nov2005	\$2.77	Nov2005	\$2.15
Nov2004	\$2.70	Nov2004	\$1.83
Nov2003	\$2.24	Nov2003	\$1.63
Nov2002	\$1.62	Balance Sheet Information 11/1/2018	
Nov2001	\$1.68	Total Current Assets	\$2,225,000,000
Nov2000	\$1.57	Total Current Liabilities	\$9,204,000,000
Nov2000	\$1.60	Long-Term Debt	\$7,897,000,000
Nov1999	\$1.66	Total Assets	\$42,401,000,000
		Intangible Assets	\$4,101,000,000
		Total Liabilities	\$17,958,000,000
		Shares Outstanding (Diluted Average)	700,000,000





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:

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ModernGraham
posts about the
company

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[Carnival Corp Valuation – July 2016 \\$CCL](#)
[5 Speculative and Overvalued Companies to Avoid – May 2015](#)
[Carnival Corporation Annual Valuation – 2015 \\$CCL](#)
[14 Companies in the Spotlight This Week – 4/12/14](#)

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[Marriott International Inc Valuation – March 2018 \\$MAR](#)
[Norwegian Cruise Line Holdings Ltd Valuation – Initial Coverage \\$NCLH](#)
[Wyndham Worldwide Corp Valuation – January 2017 \\$WYN](#)
[ILG Inc Valuation – Initial Coverage \\$ILG](#)
[Starwood Hotels & Resorts Worldwide Inc Valuation – August 2016 \\$HOT](#)
[Carnival Corp Valuation – July 2016 \\$CCL](#)
[Marriott International Inc Valuation – July 2016 \\$MAR](#)
[Starwood Hotels & Resorts Worldwide Inc. Analysis – July 2015 Update \\$HOT](#)