

ModernGraham Valuation

Hilton Hotels
Corporation Common
Stock



Company Name:

Company Ticker HLT

Date of Analysis

2/16/2019

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	\$23,940,242,250	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.76	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	281.62%	Pass
5. Earnings Growth	PEmg < 20	29.32	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	43.81	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	0.76	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-11.50	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.79
MG Growth Estimate	2.12%
MG Value	\$35.55
MG Value based on 3% Growth	\$40.44
MG Value based on 0% Growth	\$23.70
Market Implied Growth Rate	10.41%

MG Opinion

Current Price	\$81.75
% of Intrinsic Value	229.93%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$38.31
Graham Number	\$11.44
PEmg	29.32
Current Ratio	0.76
PB Ratio	43.81
Current Dividend	\$0.60
Dividend Yield	0.73%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.11	Next Fiscal Year Estimate	\$2.79
Dec2018	\$2.50	Dec2018	\$2.63
Dec2017	\$3.32	Dec2017	\$2.60
Dec2016	\$1.03	Dec2016	\$2.15
Dec2015	\$4.26	Dec2015	\$2.44
Dec2014	\$2.05	Dec2014	\$1.41
Dec2013	\$1.35	Dec2013	\$0.97
Dec2012	\$1.14	Dec2012	\$0.67
Dec2011	\$0.81	Dec2011	\$0.37
Dec2010	\$0.39	Dec2010	\$0.13
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Balance Sheet Information 12/1/2018	
Dec2001	\$0.00	Total Current Assets	\$1,983,000,000
Dec2000	\$0.00	Total Current Liabilities	\$2,615,000,000
Dec1999	\$0.00	Long-Term Debt	\$7,266,000,000
		Total Assets	\$13,995,000,000
		Intangible Assets	\$11,316,000,000
		Total Liabilities	\$13,437,000,000
		Shares Outstanding (Diluted Average)	299,000,000





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.

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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](#)
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- [Starwood Hotels & Resorts Worldwide Inc Valuation – August 2016 \\$HOT](#)