

ModernGraham Valuation

Company Name:

IHS Markit Ltd

Company Ticker INFO

Date of Analysis

2/21/2019



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	\$22,585,803,166	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.47	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	163.56%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	34.85	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.70	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	0.47	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-4.00	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.53
MG Growth Estimate	14.70%
MG Value	\$57.87
MG Value based on 3% Growth	\$22.14
MG Value based on 0% Growth	\$12.98
Market Implied Growth Rate	13.18%

MG Opinion

Current Price	\$53.21
% of Intrinsic Value	91.95%
Opinion	Fairly Valued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$17.05
Graham Number	\$34.03
PEmg	34.85
Current Ratio	0.47
PB Ratio	2.70
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	\$1.53
Nov2018	\$2.53	Nov2018	\$0.99
Nov2017	\$1.33	Nov2017	\$0.80
Nov2016	\$1.00	Nov2016	\$0.69
Nov2015	\$0.48	Nov2015	\$0.77
Nov2014	\$0.97	Nov2014	\$0.66
Nov2013	\$0.79	Nov2013	\$0.60
Nov2012	\$0.55	Nov2012	\$0.60
Nov2011	\$0.67	Nov2011	\$0.56
Nov2010	\$0.58	Nov2010	\$0.52
Nov2009	\$0.60	Nov2009	\$0.44
Nov2008	\$0.59	Nov2008	\$0.36
Nov2007	\$0.44	Nov2007	\$0.30
Nov2006	\$0.39	Nov2006	\$0.24
Nov2005	\$0.28	Nov2005	\$0.21
Nov2004	\$0.21	Nov2004	\$0.18
Nov2003	\$0.31	Nov2003	\$0.09
Nov2002	\$0.17	Balance Sheet Information 11/1/2018	
Nov2001	\$0.15	Total Current Assets	\$1,099,400,000
Nov2000	\$0.01	Total Current Liabilities	\$2,320,300,000
Dec1999	-\$0.05	Long-Term Debt	\$4,889,200,000
	\$0.00	Total Assets	\$16,062,300,000
		Intangible Assets	\$14,320,800,000
		Total Liabilities	\$8,041,800,000
		Shares Outstanding (Diluted Average)	407,200,000





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.

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