ModernGraham Valuation

Company Name:

Company Ticker WM Date of Analysis

Inc. 2/14/2019

Waste Management,



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; r	nust pass 6 out of the following 7 tests.	-	
	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$42,195,563,110 Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.87 Fail
	3. Earnings Stability	Positive EPS for 10 years prior	Pass
	4. Dividend Record	Dividend Payments for 10 years prior	Pass
	5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	87.89% Pass
	6. Moderate PEmg Ratio	PEmg < 20	28.00 Fail
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.83 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	0.87 Fail
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-24.23 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: Dete	rmination of Intrinsic Value		
	EPSmg	\$3.54	
	MG Growth Estimate	15.00%	
	MG Value	\$136.11	
	MG Value based on 3% Growth	\$51.26	
	MG Value based on 0% Growth	\$30.05	
	Market Implied Growth Rate	9.75%	
MG Opinion			
	Current Price	\$98.99	
	% of Intrinsic Value	72.73%	
	Opinion	Undervalued	
	MG Grade	C-	
Stage 3: Infor	mation for Further Research		
.	Net Current Asset Value (NCAV)	-\$31.74	
	Graham Number	\$36.53	
	PEmg	28.00	
	Current Ratio	0.87	
	PB Ratio	6.83	
	O		

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Number of Consecutive Years of Dividend

Current Dividend

Dividend Yield

Growth

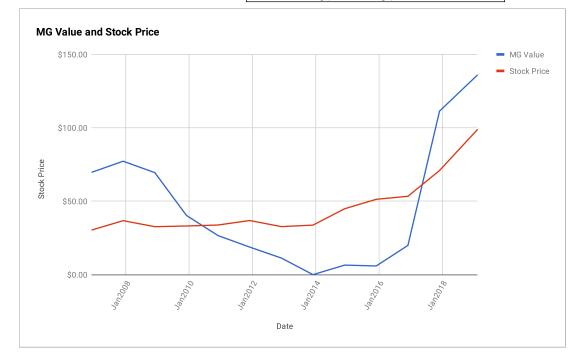
Morningstar MSN Money Seeking Alpha SEC Filings

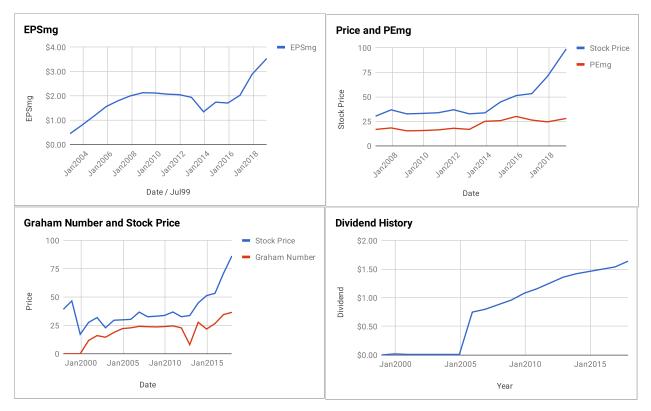
\$1.70

1.72%

14

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$4.27	Next Fiscal Year Estimate	\$3.54
Dec2017	\$4.41	Dec2017	\$2.89
Dec2016	\$2.65	Dec2016	\$2.03
Dec2015	\$1.65	Dec2015	\$1.71
Dec2014	\$2.79	Dec2014	\$1.74
Dec2013	\$0.21	Dec2013	\$1.3
Dec2012	\$1.76	Dec2012	\$1.94
Dec2011	\$2.04	Dec2011	\$2.0
Dec2010	\$1.98	Dec2010	\$2.07
Dec2009	\$2.01	Dec2009	\$2.1
Dec2008	\$2.19	Dec2008	\$2.1
Dec2007	\$2.23	Dec2007	\$2.0
Dec2006	\$2.10	Dec2006	\$1.8
Dec2005	\$2.09	Dec2005	\$1.5
Dec2004	\$1.61	Dec2004	\$1.18
Dec2003	\$1.06	Dec2003	\$0.8
Dec2002	\$1.33	Dec2002	\$0.4
Dec2001	\$0.80	Balance Sheet Information	9/1/2018
Dec2000	-\$0.16	Total Current Assets	\$2,675,000,000
Dec1999	-\$0.65	Total Current Liabilities	\$3,070,000,000
Dec1998	-\$1.32	Long-Term Debt	\$9,569,000,000
		Total Assets	\$22,591,000,000
		Intangible Assets	\$6,944,000,000
		Total Liabilities	\$16,350,000,000
		Shares Outstanding (Diluted Average)	430,800,000





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:

 Other
 Waste Management Inc Valuation – April 2018 \$WM

 ModernGraham posts about the company
 Waste Management Inc Valuation – August 2016 \$WM

 5. Speculative and Overvalued Companies to Avoid – July 2015
 Waste Management Inc. Analysis – 2015 Update \$WM

Other ModernGraham posts about related companies

Clean Harbors Inc Valuation – July 2018 \$CLH Stericycle Inc Valuation – May 2018 \$SRCL Republic Services Inc Valuation – May 2018 \$RSG Waste Management Inc Valuation – April 2018 \$WM US Ecology Inc Valuation – Initial Coverage \$ECOL Stericycle Inc Valuation – February 2017 \$SRCL Republic Services Inc Valuation – January 2017 \$RSG Clean Harbors Inc Valuation – Initial Coverage \$CLH Waste Management Inc Valuation – August 2016 \$WM Stericycle Inc. Analysis – October 2015 Update \$SRCL