# **ModernGraham Valuation**

## **Company Name:**

The Western Union Company



Company Ticker WU
Date of Analysis

2/22/2019

## 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	\$7,879,832,269 Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.88 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	
	5. Earnings Growth	beginning and end	-48.67% Fail
	Moderate PEmg Ratio	PEmg < 20	17.06 Pass
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-25.68 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	0.88	Fail
2	. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-5.32	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		Fail
		Score		

Score

Suitability

Defensive No Enterprising No

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.05
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$15.18
MG Value based on 0% Growth	\$8.90
Market Implied Growth Rate	4.28%

MG Opinion

Current Price \$17.86 % of Intrinsic Value N/A

Opinion Overvalued MG Grade D+

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$10.15
Graham Number	\$0.00
PEmg	17.06
Current Ratio	0.88
PB Ratio	-25.68
Current Dividend	\$0.76
Dividend Yield	4.26%
Number of Consecutive Years of Dividend	
Growth	4

Morningstar

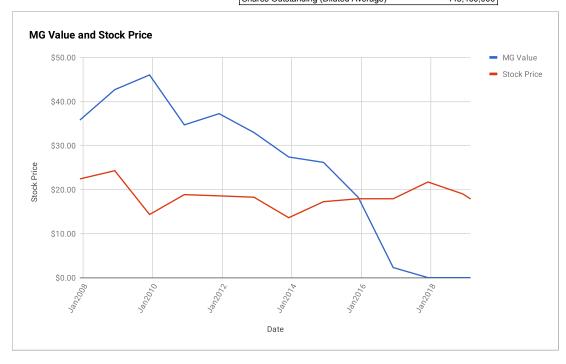
Useful Links: ModernGraham tagged articles

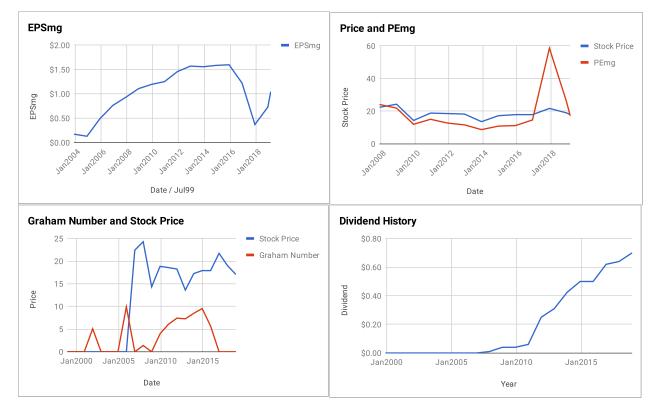
 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year	***		24.05
Estimate		Next Fiscal Year Estimate	\$1.05
Dec2018	\$1.87	Dec2018	\$0.73
Dec2017	-\$1.19	Dec2017	\$0.37
Dec2016	\$0.51	Dec2016	\$1.22
Dec2015	\$1.62	Dec2015	\$1.60
Dec2014	\$1.59	Dec2014	\$1.59
Dec2013	\$1.43	Dec2013	\$1.56
Dec2012	\$1.69	Dec2012	\$1.57
Dec2011	\$1.84	Dec2011	\$1.46
Dec2010	\$1.36	Dec2010	\$1.25
Dec2009	\$1.21	Dec2009	\$1.20
Dec2008	\$1.24	Dec2008	\$1.11
Dec2007	\$1.11	Dec2007	\$0.93
Dec2006	\$1.19	Dec2006	\$0.76
Dec2005	\$1.21	Dec2005	\$0.49
Dec2004	\$0.00	Dec2004	\$0.13
Dec2003	\$0.00	Dec2003	\$0.17
Dec2002	\$0.65	Balance Sheet Information	12/1/2018
Dec2001	\$0.00	Total Current Assets	\$4,787,200,000
Dec2000	\$0.00	Total Current Liabilities	\$5,432,700,000
Dec1999	\$0.00	Long-Term Debt	\$3,433,700,000
	•	Total Assets	\$8,996,800,000
		Intangible Assets	\$3,323,200,000
		Total Liabilities	\$9,306,600,000
		   Shares Outstanding (Diluted Average)	445,400,000





#### 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 ModernGraham posts about the company

The Western Union Co Valuation - April 2018 \$WU

The Western Union Company Valuation - December 2016 \$WU

Western Union Company Analysis - 2015 Update \$WU

19 Companies in the Spotlight This Week – 8/9/14

The Western Union Company Annual Valuation – 2014 \$WU

Other ModernGraham posts about related companies Raymond James Financial Valuation - February 2019 \$RJF

Nasdaq Inc Valuation – February 2019 \$NDAQ

E\*Trade Financial Corp Valuation – January 2019 \$ETFC

Marsh & McLennan Companies Inc Valuation – January 2019 \$MMC

Intercontinental Exchange Inc Valuation – January 2019 \$ICE

H&R Block Inc Valuation – January 2019 \$HRB

State Street Corp Valuation – January 2019 \$STT

Morgan Stanley Valuation – January 2019 \$MS

MSCI Inc Valuation - January 2019 \$MSCI

BlackRock Inc Valuation – January 2019 \$BLK