

# ModernGraham Valuation

The Western Union  
Company



Company Name:

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 beginning and end	-48.67%	Fail
5. Earnings Growth	PEmg < 20	17.06	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	-25.68	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	0.88	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 Score		Fail

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.05
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
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
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

## 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

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[Morningstar](#)  
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.83	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	<b>Balance Sheet Information 12/1/2018</b>	
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](#)

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[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](#)  
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