

ModernGraham Valuation

Company Name:

Moody's Corporation

Company Ticker MCO

Date of Analysis

3/27/2019



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	\$33,481,677,645	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.61	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	146.68%	Pass
6. Moderate PEmg Ratio	PEmg < 20	31.24	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	52.53	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	1.61	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.06	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	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.68
MG Growth Estimate	5.95%
MG Value	\$115.79
MG Value based on 3% Growth	\$82.32
MG Value based on 0% Growth	\$48.26
Market Implied Growth Rate	11.37%

MG Opinion

Current Price	\$177.38
% of Intrinsic Value	153.19%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

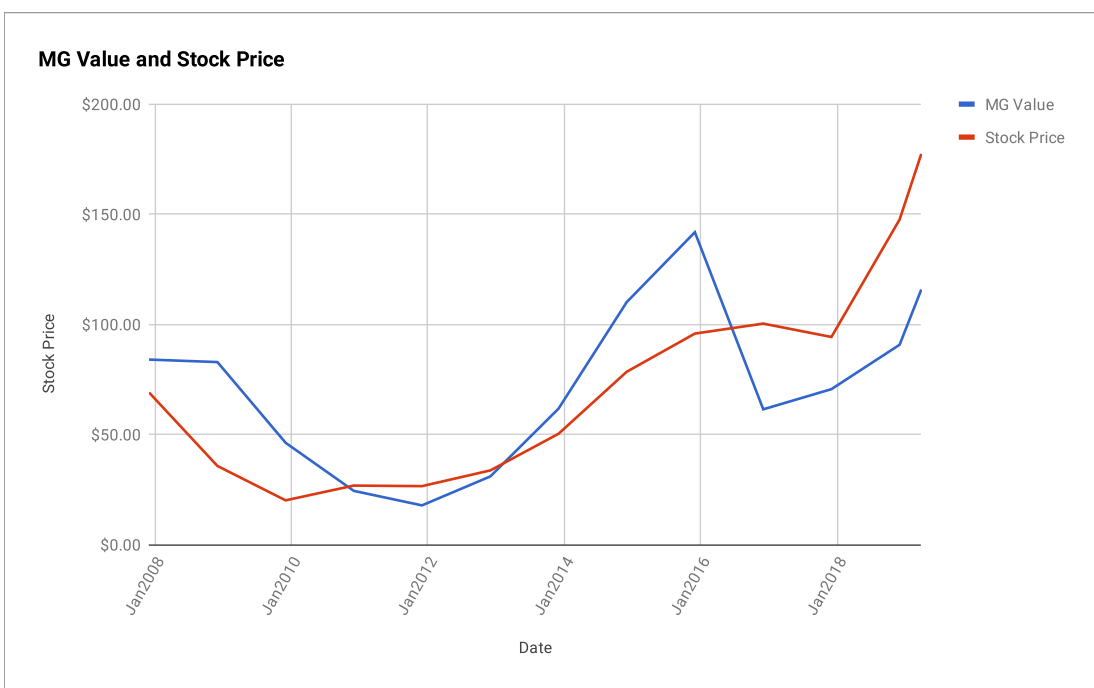
Net Current Asset Value (NCAV)	-\$28.20
Graham Number	\$19.55
PEmg	31.24
Current Ratio	1.61
PB Ratio	52.53
Current Dividend	\$1.76
Dividend Yield	0.99%
Number of Consecutive Years of Dividend Growth	9

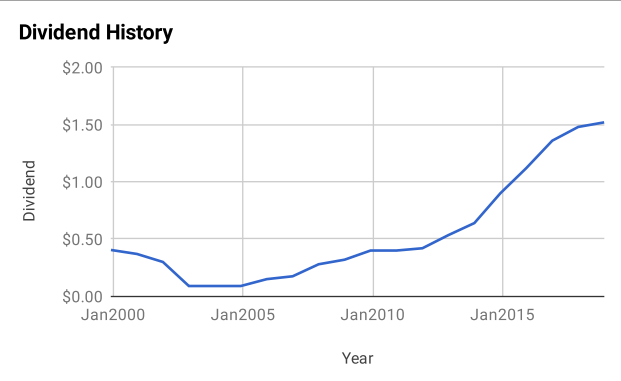
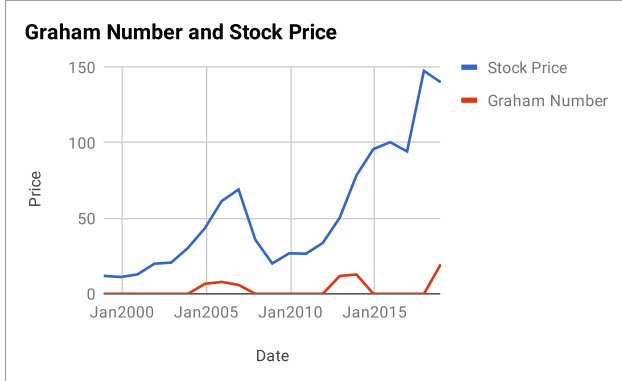
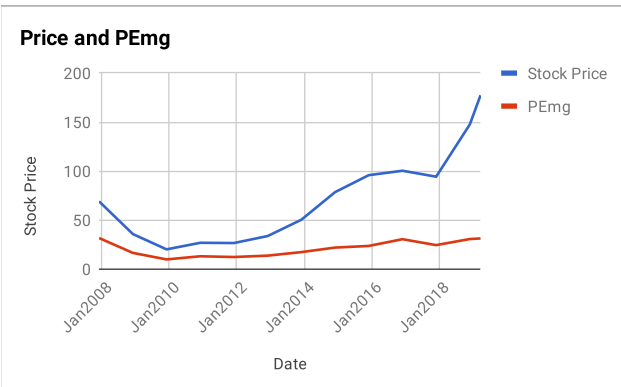
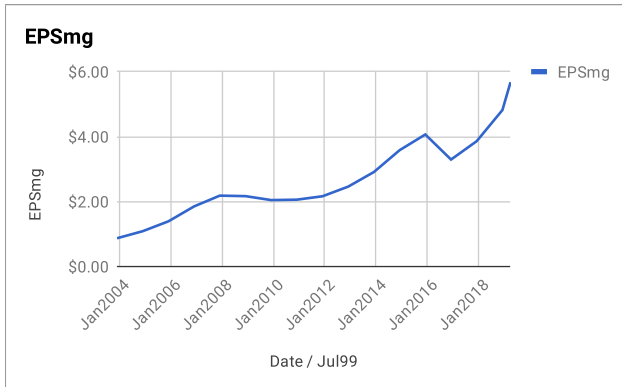
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.08	Next Fiscal Year Estimate	\$5.68
Dec2018	\$6.74	Dec2018	\$4.82
Dec2017	\$5.15	Dec2017	\$3.86
Dec2016	\$1.36	Dec2016	\$3.29
Dec2015	\$4.63	Dec2015	\$4.07
Dec2014	\$4.61	Dec2014	\$3.58
Dec2013	\$3.60	Dec2013	\$2.91
Dec2012	\$3.05	Dec2012	\$2.46
Dec2011	\$2.49	Dec2011	\$2.16
Dec2010	\$2.15	Dec2010	\$2.06
Dec2009	\$1.69	Dec2009	\$2.04
Dec2008	\$1.87	Dec2008	\$2.17
Dec2007	\$2.58	Dec2007	\$2.18
Dec2006	\$2.58	Dec2006	\$1.85
Dec2005	\$1.84	Dec2005	\$1.39
Dec2004	\$1.40	Dec2004	\$1.09
Dec2003	\$1.19	Dec2003	\$0.87
Dec2002	\$0.92	Balance Sheet Information 12/1/2018	
Dec2001	\$0.66	Total Current Assets	\$3,386,900,000
Dec2000	\$0.49	Total Current Liabilities	\$2,098,500,000
Dec1999	\$0.48	Long-Term Debt	\$5,226,100,000
		Total Assets	\$9,526,200,000
		Intangible Assets	\$5,347,400,000
		Total Liabilities	\$8,869,700,000
		Shares Outstanding (Diluted Average)	194,400,000





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.

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