

ModernGraham Valuation

Willis Towers Watson
PLC



Company Name:

Company Ticker WLTW

Date of Analysis

3/22/2019

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	\$22,553,439,896	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.07	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	513.26%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	26.81	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.31	Pass

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	1.07	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.92	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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$6.52
MG Growth Estimate	12.25%
MG Value	\$215.04
MG Value based on 3% Growth	\$94.50
MG Value based on 0% Growth	\$55.40
Market Implied Growth Rate	9.15%

MG Opinion

Current Price	\$174.70
% of Intrinsic Value	81.24%
Opinion	Fairly Valued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$45.41
Graham Number	\$134.56
PEmg	26.81
Current Ratio	1.07
PB Ratio	2.31
Current Dividend	\$2.40
Dividend Yield	1.37%
Number of Consecutive Years of Dividend Growth	2

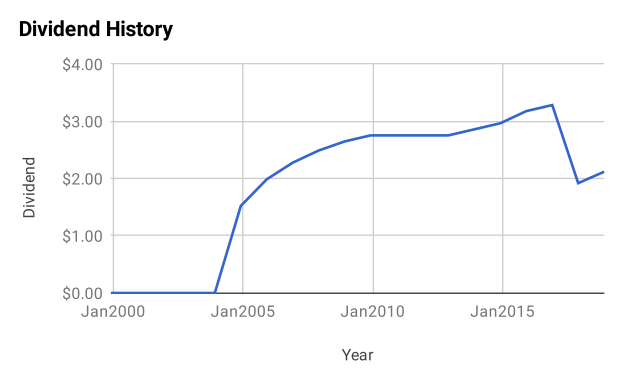
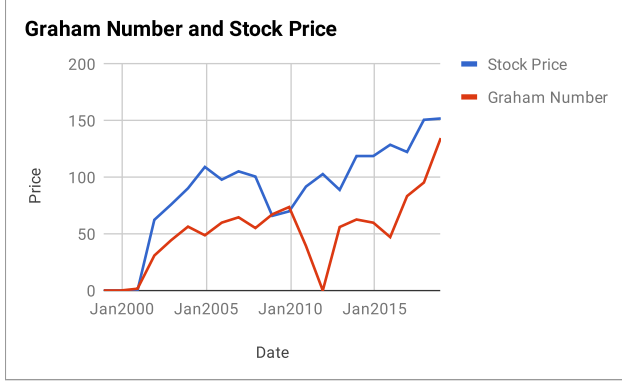
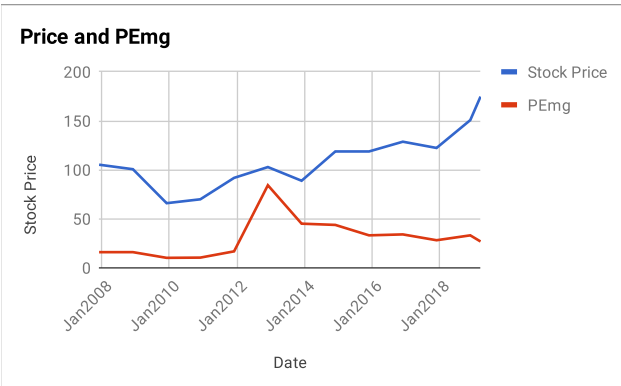
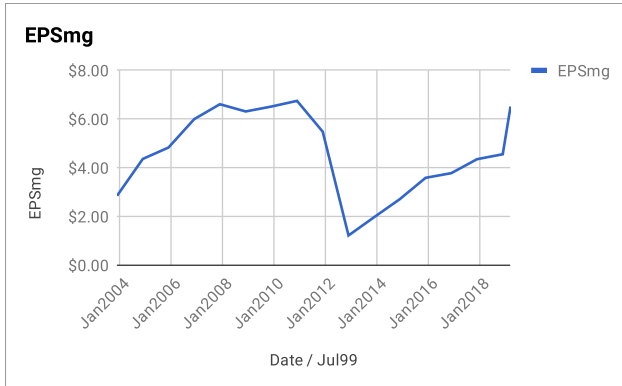
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$10.53	Next Fiscal Year Estimate	\$6.52
Dec2018	\$5.27	Dec2018	\$4.56
Dec2017	\$4.18	Dec2017	\$4.35
Dec2016	\$3.04	Dec2016	\$3.78
Dec2015	\$5.41	Dec2015	\$3.59
Dec2014	\$5.32	Dec2014	\$2.71
Dec2013	\$5.37	Dec2013	\$1.97
Dec2012	-\$6.83	Dec2012	\$1.22
Dec2011	\$3.05	Dec2011	\$5.48
Dec2010	\$7.05	Dec2010	\$6.75
Dec2009	\$6.86	Dec2009	\$6.51
Dec2008	\$5.43	Dec2008	\$6.31
Dec2007	\$7.36	Dec2007	\$6.61
Dec2006	\$7.52	Dec2006	\$6.00
Dec2005	\$4.56	Dec2005	\$4.83
Dec2004	\$6.41	Dec2004	\$4.36
Dec2003	\$5.75	Dec2003	\$2.85
Dec2002	\$3.39	Balance Sheet Information 12/1/2018	
Dec2001	\$0.03	Total Current Assets	\$16,420,000,000
Dec2000	\$0.19	Total Current Liabilities	\$15,301,000,000
Dec1999	\$0.00	Long-Term Debt	\$4,389,000,000
		Total Assets	\$32,385,000,000
		Intangible Assets	\$13,783,000,000
		Total Liabilities	\$22,414,000,000
		Shares Outstanding (Diluted Average)	132,000,000





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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