

ModernGraham Valuation

Company Name:

Corning Incorporated

Company Ticker GLW

Date of Analysis

8/19/2015



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	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Fail
5. Earnings Growth		Fail
6. Moderate PEmg Ratio	PEmg < 20	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	Pass
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	Fail

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	1.44
MG Growth Estimate	-4.11%
MG Value	\$0.70
MG Value based on 3% Growth	\$20.82
MG Value based on 0% Growth	\$12.21
Market Implied Growth Rate	1.93%

MG Opinion

Current Price	\$17.74
% of Intrinsic Value	2525.60%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$0.70
PEmg	12.35
Current Ratio	4.88
PB Ratio	1.16
Dividend Yield	2.48%
Number of Consecutive Years of Dividend Growth	5

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.33	Next Fiscal Year Estimate	\$1.44
Dec14	\$1.73	Dec14	\$1.54
Dec13	\$1.34	Dec13	\$1.48
Dec12	\$1.09	Dec12	\$1.68
Dec11	\$1.77	Dec11	\$1.98
Dec10	\$2.25	Dec10	\$2.01
Dec09	\$1.28	Dec09	\$1.76
Dec08	\$3.32	Dec08	\$1.64
Dec07	\$1.34	Dec07	\$0.60
Dec06	\$1.16	Dec06	\$0.04
Dec05	\$0.38	Dec05	-\$0.92
Dec04	-\$1.61	Dec04	-\$1.63
Dec03	-\$0.22	Dec03	-\$1.51
Dec02	-\$1.39	Dec02	-\$1.81
Dec01	-\$5.89	Dec01	-\$1.58
Dec00	\$0.49	Dec00	\$0.55
Dec99	\$0.66	Dec99	\$0.52
Dec98	\$0.56	Balance Sheet Information Jun15	
Dec97	\$0.62	Total Current Assets	\$9,868,000,000
Dec96	\$0.25	Total Current Liabilities	\$2,022,000,000
Dec95	-\$0.08	Long-Term Debt	\$3,910,000,000
		Total Assets	\$29,888,000,000
		Intangible Assets	\$2,043,000,000
		Total Liabilities	\$8,905,000,000
		Shares Outstanding (Diluted Average)	1,371,000,000



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.

Recommended Reading:

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company**

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[Applied Materials Inc. Analysis – August 2015 Update \\$AMAT](#)
[Xilinx Inc. Analysis – August 2015 Update \\$XLNX](#)
[Qorvo Inc. Analysis – Initial Coverage \\$QRVO](#)
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