

ModernGraham Valuation

Company Name:

Corning Incorporated

Company Ticker GLW

Date of Analysis

5/21/2016



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	\$20,935,833,812	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.80	Pass
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	-32.83%	Fail
6. Moderate PEmg Ratio	PEmg < 20	15.15	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.20	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	2.80	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.85	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.29
MG Growth Estimate	-3.62%
MG Value	\$1.63
MG Value based on 3% Growth	\$18.68
MG Value based on 0% Growth	\$10.95
Market Implied Growth Rate	3.32%

MG Opinion

Current Price	\$19.51
% of Intrinsic Value	1197.32%
Opinion	Overvalued
MG Grade	B+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.58
Graham Number	\$19.95
PEmg	15.15
Current Ratio	2.80
PB Ratio	1.20
Current Dividend	\$0.50
Dividend Yield	2.54%
Number of Consecutive Years of Dividend Growth	6

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.26	Next Fiscal Year Estimate	\$1.29
12/1/2015	\$1.00	12/1/2015	\$1.33
12/1/2014	\$1.73	12/1/2014	\$1.55
12/1/2013	\$1.34	12/1/2013	\$1.49
12/1/2012	\$1.15	12/1/2012	\$1.70
12/1/2011	\$1.77	12/1/2011	\$1.98
12/1/2010	\$2.25	12/1/2010	\$2.01
12/1/2009	\$1.28	12/1/2009	\$1.76
12/1/2008	\$3.32	12/1/2008	\$1.64
12/1/2007	\$1.34	12/1/2007	\$0.61
12/1/2006	\$1.16	12/1/2006	\$0.06
12/1/2005	\$0.38	12/1/2005	-\$0.90
12/1/2004	-\$1.56	12/1/2004	-\$1.60
12/1/2003	-\$0.18	12/1/2003	-\$1.50
12/1/2002	-\$1.39	12/1/2002	-\$1.81
12/1/2001	-\$5.89	12/1/2001	-\$1.59
12/1/2000	\$0.48	12/1/2000	\$0.54
12/1/1999	\$0.65	Balance Sheet Information 3/1/2016	
12/1/1998	\$0.56	Total Current Assets	\$7,178,000,000
12/1/1997	\$0.62	Total Current Liabilities	\$2,564,000,000
12/1/1996	\$0.25	Long-term Debt	\$3,910,000,000
		Total Assets	\$27,945,000,000
		Intangible Assets	\$2,102,000,000
		Total Liabilities	\$10,027,000,000
		Shares Outstanding (Diluted Average)	1,103,000,000





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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[30 Companies in the Spotlight This Week – 5/23/15](#)

[Coming Inc. Quarterly Valuation – May 2015 \\$GLW](#)

[34 Companies in the Spotlight This Week – 2/7/15](#)

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[Jacobs Engineering Group Inc Valuation – January 2016 Update \\$JEC](#)

[D.R. Horton Inc Valuation – January 2016 Update \\$DHI](#)

[Lowe's Companies Inc Valuation – January 2016 Update \\$LOW](#)

[Martin Marietta Materials Inc Valuation – February 2016 Update \\$MLM](#)

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