

# ModernGraham Valuation

Company Name:

CBRE Group Inc

Company Ticker CBG

Date of Analysis

7/13/2016



## 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	\$9,539,252,832	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.11	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-272.61%	Fail
6. Moderate PEmg Ratio	PEmg < 20	16.87	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.30	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	1.11	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	6.75	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.63
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$62.86</b>
MG Value based on 3% Growth	\$23.67
MG Value based on 0% Growth	\$13.88
Market Implied Growth Rate	4.19%

### MG Opinion

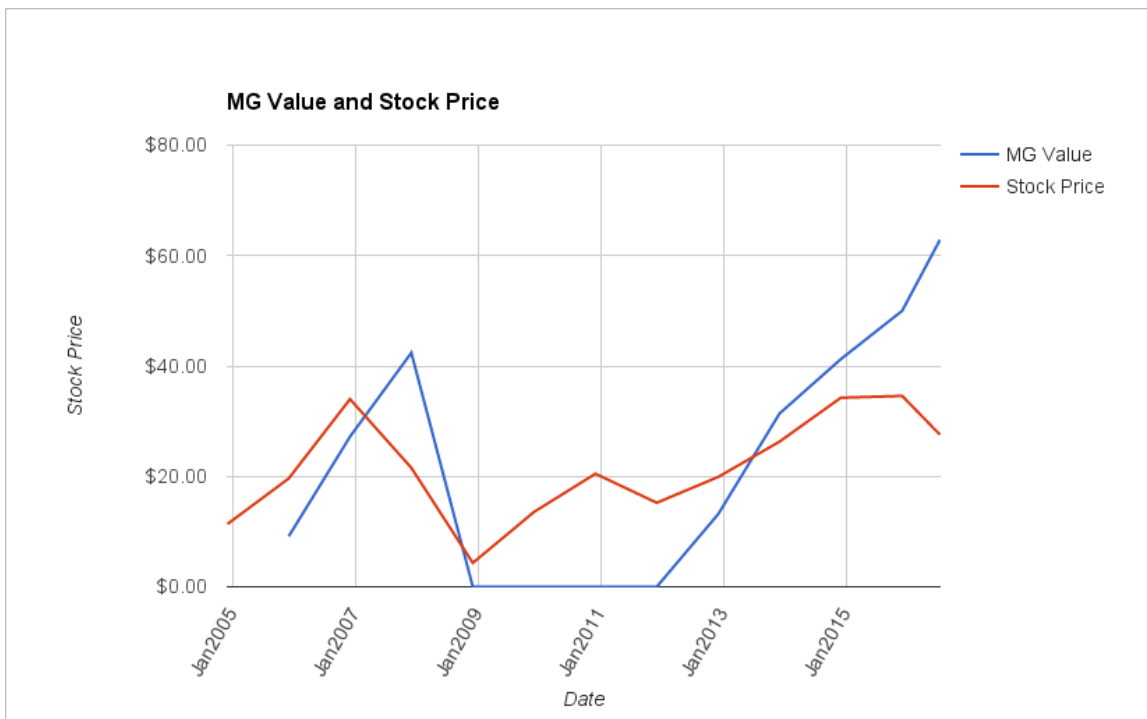
Current Price	\$27.55
% of Intrinsic Value	43.83%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$8.68
Graham Number	\$20.16
PEmg	16.87
Current Ratio	1.11
PB Ratio	3.30
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.15	Next Fiscal Year Estimate	\$1.63
Dec2015	\$1.63	Dec2015	\$1.30
Dec2014	\$1.45	Dec2014	\$1.07
Dec2013	\$0.95	Dec2013	\$0.82
Dec2012	\$0.97	Dec2012	\$0.34
Dec2011	\$0.74	Dec2011	-\$0.09
Dec2010	\$0.63	Dec2010	-\$0.41
Dec2009	\$0.12	Dec2009	-\$0.67
Dec2008	-\$4.81	Dec2008	-\$0.74
Dec2007	\$1.66	Dec2007	\$1.10
Dec2006	\$1.35	Dec2006	\$0.71
Dec2005	\$0.95	Dec2005	\$0.37
Dec2004	\$0.30	Dec2004	\$0.11
Dec2003	-\$0.63	Dec2003	\$0.05
Dec2002	\$0.41	Dec2002	\$0.33
Dec2001	\$0.73	Dec2001	\$0.24
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	<b>Balance Sheet Information 3/1/2016</b>	
Dec1998	\$0.00	Total Current Assets	\$4,086,896,000
Dec1997	\$0.00	Total Current Liabilities	\$3,696,420,000
Dec1996	\$0.00	Long-Term Debt	\$2,635,045,000
		Total Assets	\$9,835,135,000
		Intangible Assets	\$4,550,202,000
		Total Liabilities	\$7,017,540,000
		Shares Outstanding (Diluted Average)	337,506,000





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**

- [58 Companies in the Spotlight This Week – 1/31/15](#)
- [CBRE Group Inc. Annual Valuation – 2015 \\$CBG](#)
- [14 Companies in the Spotlight This Week – 1/11/14](#)
- [ModernGraham Valuation: CBRE Group Inc. \(CBG\)](#)

**Other ModernGraham posts about related companies**

- [Fidelity National Information Services Valuation – July 2016 \\$FIS](#)
- [Capital One Financial Corp Valuation – July 2016 \\$COF](#)
- [Intercontinental Exchange Inc Valuation – July 2016 \\$ICE](#)
- [H&R Block Inc Valuation – June 2016 \\$HRB](#)
- [Visa Inc Valuation – June 2016 \\$V](#)
- [Legg Mason Inc Valuation – June 2016 \\$LM](#)
- [Morgan Stanley Valuation – June 2016 \\$MS](#)
- [BlackRock Inc Valuation – June 2016 \\$BLK](#)
- [Goldman Sachs Group Inc Valuation – June 2016 \\$GS](#)
- [Ameriprise Financial Inc Valuation – June 2016 \\$AMP](#)