

ModernGraham Valuation

Company Name:

Company Ticker FOXA
Date of Analysis

Twenty-First Century
Fox Inc

8/4/2016



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	\$49,304,685,186	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.89	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	344.58%	Pass
6. Moderate PEmg Ratio	PEmg < 20	10.78	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.38	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	1.89	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.62	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

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.37
MG Growth Estimate	15.00%
MG Value	\$91.25
MG Value based on 3% Growth	\$34.37
MG Value based on 0% Growth	\$20.15
Market Implied Growth Rate	1.14%

MG Opinion

Current Price	\$25.55
% of Intrinsic Value	28.00%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$10.00
Graham Number	\$15.97
PEmg	10.78
Current Ratio	1.89
PB Ratio	3.38
Current Dividend	\$0.30
Dividend Yield	1.17%
Number of Consecutive Years of Dividend Growth	3

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.49	Next Fiscal Year Estimate	\$2.37
Jun2015	\$3.90	Jun2015	\$2.57
Jun2014	\$1.99	Jun2014	\$1.77
Jun2013	\$3.03	Jun2013	\$1.39
Jun2012	\$0.47	Jun2012	\$0.58
Jun2011	\$1.04	Jun2011	\$0.66
Jun2010	\$0.97	Jun2010	\$0.54
Jun2009	-\$1.29	Jun2009	\$0.43
Jun2008	\$1.81	Jun2008	\$1.19
Jun2007	\$1.14	Jun2007	\$0.83
Jun2006	\$0.76	Jun2006	\$0.43
Jun2005	\$0.73	Jun2005	\$0.08
Jun2004	\$0.54	Jun2004	-\$0.27
Jun2003	\$0.46	Jun2003	-\$0.55
Jun2002	-\$2.74	Jun2002	-\$0.81
Jun2001	-\$0.56	Jun2001	\$0.21
Jun2000	\$0.76	Jun2000	\$0.55
Jun1999	\$0.48	Balance Sheet Information	
Jun1998	\$0.57	3/1/2016	
Jun1997	\$0.31	Total Current Assets	\$15,620,000,000
Jun1996	\$0.25	Total Current Liabilities	\$8,276,000,000
		Long-Term Debt	\$19,270,000,000
		Total Assets	\$49,248,000,000
		Intangible Assets	\$19,439,000,000
		Total Liabilities	\$34,777,000,000
		Shares Outstanding (Diluted Average)	1,916,000,000





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:

Other ModernGraham posts about the company

- [10 Low PE Stocks for the Defensive Investor – July 2016](#)
- [10 Most Undervalued Companies for the Defensive Investor – July 2016](#)
- [10 Low PE Stocks for the Defensive Investor – May 2016](#)
- [10 Most Undervalued Companies for the Defensive Investor – May 2016](#)
- [10 Most Undervalued Companies for the Defensive Investor – February 2016](#)

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- [Scripps Networks Valuation – July 2016 \\$SNI](#)
- [Cablevision Systems Corp Valuation – July 2016 \\$CVC](#)
- [Time Warner Inc Valuation – July 2016 \\$TWX](#)
- [Comcast Corporation Valuation – June 2016 \\$CMCSA](#)
- [Viacom Inc Valuation – June 2016 \\$VIAB](#)
- [CBS Corporation Valuation – May 2016 \\$CBS](#)
- [Graham Holdings Company Valuation – May 2016 \\$GHC](#)
- [Twenty-First Century Fox Inc Valuation – February 2016 Update \\$FOXA](#)
- [Scripps Networks Interactive Inc Valuation – February 2016 Update \\$SNI](#)