

ModernGraham Valuation

Company Name:

AMC Networks Inc

Company Ticker

AMCX

Date of Analysis

8/15/2015



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	Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
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	Pass
5. Earnings Growth		
6. Moderate PEmg Ratio	PEmg < 20	Fail
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	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	3.66
MG Growth Estimate	15.00%
MG Value	\$141.01
MG Value based on 3% Growth	\$53.11
MG Value based on 0% Growth	\$31.13
Market Implied Growth Rate	5.97%

MG Opinion

Current Price	\$74.87
% of Intrinsic Value	53.09%
Opinion	Undervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$39.87
PEmg	20.44
Current Ratio	1.81
PB Ratio	-28.42
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$4.61	Next Fiscal Year Estimate	\$3.66
Dec14	\$3.58	Dec14	\$2.95
Dec13	\$4.00	Dec13	\$2.35
Dec12	\$1.89	Dec12	\$1.34
Dec11	\$1.79	Dec11	\$0.91
Dec10	\$1.16	Dec10	\$0.39
Dec09	\$0.00	Dec09	\$0.00
Dec08	\$0.00	Dec08	\$0.00
Dec07	\$0.00	Dec07	\$0.00
Dec06	\$0.00	Dec06	\$0.00
Dec05	\$0.00	Dec05	\$0.00
Dec04	\$0.00	Dec04	\$0.00
Dec03	\$0.00	Dec03	\$0.00
Dec02	\$0.00	Dec02	\$0.00
Dec01	\$0.00	Dec01	\$0.00
Dec00	\$0.00	Dec00	\$0.00
Dec99	\$0.00	Dec99	\$0.00
Dec98	\$0.00	Balance Sheet Information Jun15	
Dec97	\$0.00	Total Current Assets	\$1,386,491,000
Dec96	\$0.00	Total Current Liabilities	\$765,687,000
Dec95	\$0.00	Long-Term Debt	\$2,638,514,000
		Total Assets	\$4,109,610,000
		Intangible Assets	\$1,289,671,000
		Total Liabilities	\$4,302,270,000
		Outstanding Shares	73,128,000



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

#N/A

Other
ModernGraham
posts about related
companies

[CBS Corporation Analysis – August 2015 Update \\$CBS](#)
[Twenty-First Century Fox Analysis – July 2015 Update \\$FOXA](#)
[Discovery Communications Analysis – 2015 Annual Update \\$DISCA](#)
[CBS Corporation Quarterly Valuation – May 2015 \\$CBS](#)
[Twenty-First Century Fox Inc. Quarterly Valuation – April 2015 \\$FOXA](#)
[Time Warner Inc. Annual Valuation – 2015 \\$TWX](#)
[Comcast Corporation Annual Valuation – 2015 \\$CMCSA](#)
[Cablevision Systems Corporation Annual Valuation – 2015 \\$CVC](#)
[CBS Corporation Quarterly Valuation – January 2015 \\$CBS](#)
[Twenty-First Century Fox Inc. Quarterly Valuation – January 2015 \\$FOXA](#)