

ModernGraham Valuation

Company Name:

CBS Corporation

Company Ticker CBS

Date of Analysis

8/12/2015



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 Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Pass
5. Earnings Growth		Fail
6. Moderate PEmg Ratio	PEmg < 20	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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	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	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	3.53
MG Growth Estimate	15.00%
MG Value	\$136.06
MG Value based on 3% Growth	\$51.24
MG Value based on 0% Growth	\$30.04
Market Implied Growth Rate	2.83%

MG Opinion

Current Price	\$50.06
% of Intrinsic Value	36.79%
Opinion	Undervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$25.19
PEmg	14.17
Current Ratio	1.51
PB Ratio	4.16
Dividend Yield	1.20%
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	\$3.24	Next Fiscal Year Estimate	\$3.53
Dec14	\$5.27	Dec14	\$3.36
Dec13	\$3.01	Dec13	\$2.19
Dec12	\$2.39	Dec12	\$0.40
Dec11	\$1.92	Dec11	-\$1.23
Dec10	\$1.04	Dec10	-\$2.68
Dec09	\$0.33	Dec09	-\$4.50
Dec08	-\$17.43	Dec08	-\$7.47
Dec07	\$1.73	Dec07	-\$3.25
Dec06	\$2.15	Dec06	-\$5.48
Dec05	-\$8.98	Dec05	-\$8.00
Dec04	-\$20.37	Dec04	-\$6.26
Dec03	\$1.61	Dec03	\$0.67
Dec02	\$0.82	Dec02	\$0.15
Dec01	-\$0.13	Dec01	-\$0.09
Dec00	-\$0.67	Dec00	\$0.21
Dec99	\$0.45	Dec99	\$0.76
Dec98	-\$0.21	Balance Sheet Information Jun15	
Dec97	\$1.04	Total Current Assets	\$5,232,000,000
Dec96	\$3.23	Total Current Liabilities	\$3,467,000,000
Dec95	\$0.43	Long-Term Debt	\$7,686,000,000
		Total Assets	\$23,662,000,000
		Intangible Assets	\$12,660,000,000
		Total Liabilities	\$17,699,000,000
		Outstanding Shares	495,000,000



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.