

ModernGraham Valuation

Company Name:

Company Ticker FTR

Date of Analysis

11/16/2015

Frontier
Communications
Corp



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	\$5,420,504,002 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	7.14 Pass
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	-99.12% Fail
6. Moderate PEmg Ratio	PEmg < 20	435.00 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.92 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	7.14 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.83 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Fail
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.01
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$0.15
MG Value based on 0% Growth	\$0.09
Market Implied Growth Rate	213.25%

MG Opinion

Current Price	\$4.64
% of Intrinsic Value	N/A
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$9.74
Graham Number	#NUM!
PEmg	435.00
Current Ratio	7.14
PB Ratio	0.92
Dividend Yield	8.94%
Number of Consecutive Years of Dividend Growth	1

Useful Links:

[ModernGraham tagged articles](#)
[Google Finance](#)

[Morningstar](#)
[MSN Money](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$0.22	Next Fiscal Year Estimate	\$0.01
Dec14	\$0.13	Dec14	\$0.13
Dec13	\$0.11	Dec13	\$0.16
Dec12	\$0.13	Dec12	\$0.22
Dec11	\$0.15	Dec11	\$0.31
Dec10	\$0.23	Dec10	\$0.45
Dec09	\$0.38	Dec09	\$0.59
Dec08	\$0.57	Dec08	\$0.67
Dec07	\$0.65	Dec07	\$0.69
Dec06	\$1.06	Dec06	\$0.48
Dec05	\$0.60	Dec05	\$0.04
Dec04	\$0.23	Dec04	-\$0.30
Dec03	\$0.64	Dec03	-\$0.49
Dec02	-\$2.43	Dec02	-\$0.85
Dec01	-\$0.38	Dec01	-\$0.01
Dec00	-\$0.11	Dec00	\$0.21
Dec99	\$0.55	Dec99	\$0.39
Dec98	\$0.22	Balance Sheet Information Sep15	
Dec97	\$0.04	Total Current Assets	\$10,195,000,000
Dec96	\$0.71	Total Current Liabilities	\$1,428,000,000
Dec95	\$0.72	Long-Term Debt	\$16,016,000,000
		Total Assets	\$27,365,000,000
		Intangible Assets	\$8,386,000,000
		Total Liabilities	\$21,510,000,000
		Shares Outstanding (Diluted Average)	1,161,207,000





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

[Frontier Communications Corp Annual Valuation – 2014 \\$FTR](#)

Other
ModernGraham
posts about related
companies

[Harris Corporation Analysis – September 2015 Update \\$HRS](#)

[Arris Group Inc. Analysis – Initial Coverage \\$ARRS](#)

[Level 3 Communications Inc. Analysis – Initial Coverage \\$LVT](#)

[Windstream Holdings Analysis – 2015 Update \\$WIN](#)

[Harris Corporation Analysis – June 2015 Update \\$HRS](#)

[Harris Corporation Quarterly Valuation – March 2015 \\$HRS](#)

[Verizon Communications Annual Valuation – 2015 \\$VZ](#)

[AT&T Inc. Annual Valuation – 2015 \\$T](#)

[CenturyLink Inc. Annual Valuation – 2014 \\$CTL](#)

[Harris Corporation Quarterly Valuation – December 2014 \\$HRS](#)