

# ModernGraham Valuation

Company Name:

Corning Incorporated

Company Ticker GLW

Date of Analysis

11/19/2015



## 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  | \$22,129,969,779 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2  | 4.71             | Pass |
| 3. Earnings Stability                      | Positive EPS for 10 years prior  |                  | Pass |
| 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 | -28.87%          | Fail |
| 5. Earnings Growth                         | PEmg < 20  | 14.08            | Pass |
| 6. Moderate PEmg Ratio                     | PB Ratio < 2.5 OR PB*PEmg < 50   | 1.16             | Pass |
| 7. Moderate Price to Assets                |  |                  |      |

*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            | 4.71 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1              | 0.54 | Pass |
| 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 |      | Fail |

### Suitability

|                     |            |
|---------------------|------------|
| <b>Defensive</b>    | <b>No</b>  |
| <b>Enterprising</b> | <b>Yes</b> |

## Stage 2: Determination of Intrinsic Value

|                             |               |
|-----------------------------|---------------|
| EPSmg                       | \$1.35        |
| MG Growth Estimate          | -4.25%        |
| <b>MG Value</b>             | <b>\$0.29</b> |
| MG Value based on 3% Growth | \$19.57       |
| MG Value based on 0% Growth | \$11.47       |
| Market Implied Growth Rate  | 2.79%         |

### MG Opinion

|                      |                   |
|----------------------|-------------------|
| Current Price        | \$19.00           |
| % of Intrinsic Value | 6574.43%          |
| <b>Opinion</b>       | <b>Overvalued</b> |

## Stage 3: Information for Further Research

|  |         |
|--|---------|
| Net Current Asset Value (NCAV)                 | \$0.29  |
| Graham Number                                  | \$18.97 |
| PEmg   | 14.08   |
| Current Ratio                                  | 4.71    |
| PB Ratio                                       | 1.16    |
| Dividend Yield                                 | 2.42%   |
| Number of Consecutive Years of Dividend Growth | 5       |

### Useful Links:

|  |                               |
|--|-------------------------------|
| <a href="#">ModernGraham tagged articles</a> | <a href="#">Morningstar</a>   |
| <a href="#">Google Finance</a>               | <a href="#">MSN Money</a>     |
| <a href="#">Yahoo Finance</a>                | <a href="#">Seeking Alpha</a> |
| <a href="#">GuruFocus</a>                    | <a href="#">SEC Filings</a>   |

| EPS History               |         | EPSmg History                                 |                  |
|---------------------------|---------|---|------------------|
| Next Fiscal Year Estimate | \$1.07  | Next Fiscal Year Estimate                     | \$1.35           |
| Dec14                     | \$1.73  | Dec14   | \$1.54           |
| Dec13                     | \$1.34  | Dec13   | \$1.48           |
| Dec12                     | \$1.09  | Dec12   | \$1.68           |
| Dec11                     | \$1.77  | Dec11   | \$1.98           |
| Dec10                     | \$2.25  | Dec10   | \$2.01           |
| Dec09                     | \$1.28  | Dec09   | \$1.76           |
| Dec08                     | \$3.32  | Dec08   | \$1.64           |
| Dec07                     | \$1.34  | Dec07   | \$0.60           |
| Dec06                     | \$1.16  | Dec06   | \$0.04           |
| Dec05                     | \$0.38  | Dec05   | -\$0.92          |
| Dec04                     | -\$1.61 | Dec04   | -\$1.63          |
| Dec03                     | -\$0.22 | Dec03   | -\$1.51          |
| Dec02                     | -\$1.39 | Dec02   | -\$1.81          |
| Dec01                     | -\$5.89 | Dec01   | -\$1.58          |
| Dec00                     | \$0.49  | Dec00   | \$0.55           |
| Dec99                     | \$0.66  | Dec99   | \$0.52           |
| Dec98                     | \$0.56  | <b>Balance Sheet Information</b> <b>Sep15</b> |                  |
| Dec97                     | \$0.62  | Total Current Assets                          | \$9,253,000,000  |
| Dec96                     | \$0.25  | Total Current Liabilities                     | \$1,966,000,000  |
| Dec95                     | -\$0.08 | Long-Term Debt                                | \$3,915,000,000  |
|                           |         | Total Assets                                  | \$28,898,000,000 |
|                           |         | Intangible Assets                             | \$2,008,000,000  |
|                           |         | Total Liabilities                             | \$8,901,000,000  |
|                           |         | Shares Outstanding (Diluted Average)          | 1,218,000,000    |





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

[Corning Inc. Analysis – August 2015 Update \\$GLW](#)  
[30 Companies in the Spotlight This Week – 5/23/15](#)  
[Corning Inc. Quarterly Valuation – May 2015 \\$GLW](#)  
[34 Companies in the Spotlight This Week – 2/7/15](#)  
[Corning Inc. Quarterly Valuation – February 2015 \\$GLW](#)

Other  
ModernGraham  
posts about related  
companies

[Intel Corp Valuation – November 2015 Update \\$INTC](#)  
[FLIR Systems Inc. Valuation – November 2015 Update \\$FLIR](#)  
[NVIDIA Corporation Valuation – November 2015 Update \\$NVDA](#)  
[FMC Technologies Inc. Valuation – November 2015 Update \\$FTI](#)  
[Applied Materials Inc Valuation – November 2015 Update \\$AMAT](#)  
[Micron Technology Inc. Valuation – November 2015 Update \\$MU](#)  
[Xilinx Inc. Valuation – November 2015 Update \\$XLNX](#)  
[Ametek Inc. Valuation – November 2015 Update \\$AME](#)  
[Skyworks Solutions Inc. Valuation – October 2015 Update \\$SWKS](#)  
[Agilent Technologies Inc. Valuation – October 2015 Update \\$A](#)