

ModernGraham Valuation

Company Name:

News Corp

Company Ticker NWSA

Date of Analysis

11/4/2015



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	\$9,017,750,895	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.84	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	1933.33%	Pass
6. Moderate PEmg Ratio	PEmg < 20	356.77	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.75	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	1.84	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
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	\$0.04
MG Growth Estimate	15.00%
MG Value	\$1.67
MG Value based on 3% Growth	\$0.63
MG Value based on 0% Growth	\$0.37
Market Implied Growth Rate	174.13%

MG Opinion

Current Price	\$15.46
% of Intrinsic Value	926.67%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$1.42
Graham Number	\$14.58
PEmg	356.77
Current Ratio	1.84
PB Ratio	0.75
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	\$0.46	Next Fiscal Year Estimate	\$0.04
Jun15	-\$0.26	Jun15	-\$0.28
Jun14	\$0.41	Jun14	-\$0.35
Jun13	\$0.87	Jun13	-\$0.66
Jun12	-\$3.58	Jun12	-\$1.19
Jun11	\$0.00	Jun11	\$0.00
Jun10	\$0.00	Jun10	\$0.00
Jun09	\$0.00	Jun09	\$0.00
Jun08	\$0.00	Jun08	\$0.00
Jun07	\$0.00	Jun07	\$0.00
Jun06	\$0.00	Jun06	\$0.00
Jun05	\$0.00	Jun05	\$0.00
Jun04	\$0.00	Jun04	\$0.00
Jun03	\$0.00	Jun03	\$0.00
Jun02	\$0.00	Jun02	\$0.00
Jun01	\$0.00	Jun01	\$0.00
Jun00	\$0.00	Jun00	\$0.00
Jun99	\$0.00	Balance Sheet Information	Jun15
Jun98	\$0.00	Total Current Assets	\$3,975,000,000
Jun97	\$0.00	Total Current Liabilities	\$2,155,000,000
Jun96	\$0.00	Long-Term Debt	\$0
		Total Assets	\$15,093,000,000
		Intangible Assets	\$5,305,000,000
		Total Liabilities	\$3,148,000,000
		Shares Outstanding (Diluted Average)	582,500,000





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:

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ModernGraham
posts about the
company

[27 Companies in the Spotlight This Week – 11/8/14](#)
[News Corp Annual Valuation – 2014 \\$NWSA](#)

Other
ModernGraham
posts about related
companies

[The Best Companies of the Media Entertainment Industry – October 2015](#)
[Twenty-First Century Fox Inc. Valuation – October 2015 Update \\$FOXA](#)
[Graham Holdings Company Analysis – September 2015 Update \\$GHC](#)
[Scripps Networks Interactive Inc. Analysis – September 2015 Update \\$SNI](#)
[AMC Networks Inc. Analysis – Initial Coverage \\$AMCX](#)
[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](#)