

ModernGraham Valuation

Company Name:

CSX Corporation

Company Ticker CSX

Date of Analysis

2/2/2016



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	\$21,819,265,059	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.52	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	84.54%	Pass
6. Moderate PEmg Ratio	PEmg < 20	12.01	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.87	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	1.52	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	10.54	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.86
MG Growth Estimate	3.45%
MG Value	\$28.69
MG Value based on 3% Growth	\$27.01
MG Value based on 0% Growth	\$15.83
Market Implied Growth Rate	1.76%

MG Opinion

Current Price	\$22.38
% of Intrinsic Value	78.01%
Opinion	Fairly Valued

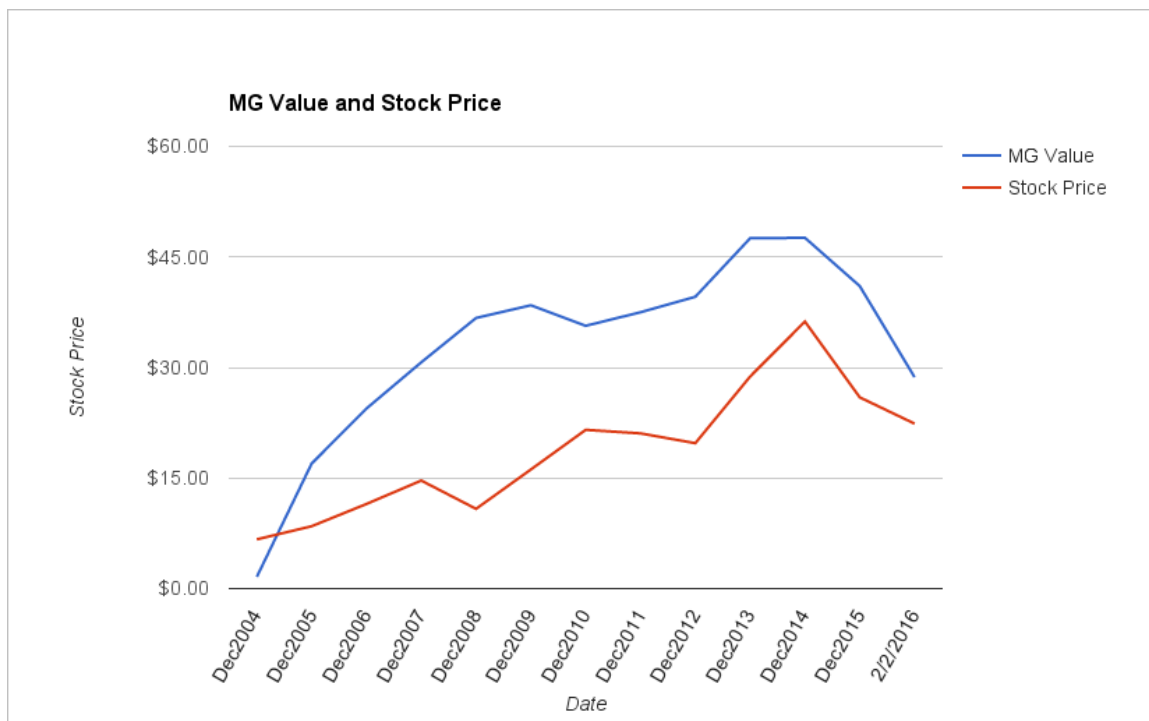
Stage 3: Information for Further Research

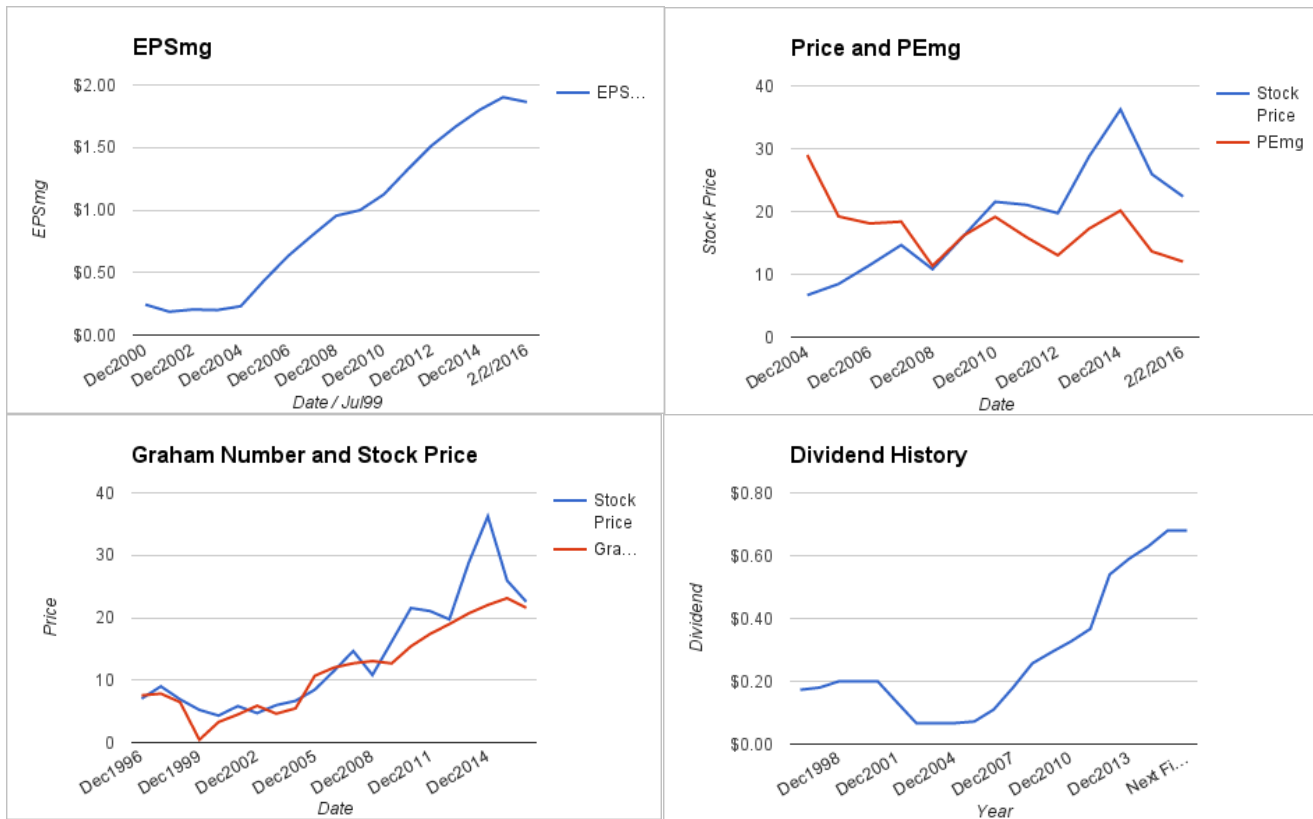
Net Current Asset Value (NCAV)	-\$20.93
Graham Number	\$21.59
PEmg	12.01
Current Ratio	1.52
PB Ratio	1.87
Dividend Yield	3.04%
Number of Consecutive Years of Dividend Growth	12

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	\$1.73	Next Fiscal Year Estimate	\$1.86
Dec2015	\$2.02	Dec2015	\$1.90
Dec2014	\$1.92	Dec2014	\$1.80
Dec2013	\$1.83	Dec2013	\$1.67
Dec2012	\$1.79	Dec2012	\$1.51
Dec2011	\$1.67	Dec2011	\$1.32
Dec2010	\$1.35	Dec2010	\$1.13
Dec2009	\$0.96	Dec2009	\$1.00
Dec2008	\$1.11	Dec2008	\$0.95
Dec2007	\$1.00	Dec2007	\$0.80
Dec2006	\$0.94	Dec2006	\$0.63
Dec2005	\$0.84	Dec2005	\$0.44
Dec2004	\$0.25	Dec2004	\$0.23
Dec2003	\$0.19	Dec2003	\$0.20
Dec2002	\$0.32	Dec2002	\$0.20
Dec2001	\$0.19	Dec2001	\$0.19
Dec2000	\$0.10	Dec2000	\$0.24
Dec1999	\$0.00	Balance Sheet Information Dec2015	
Dec1998	\$0.41	Total Current Assets	\$2,966,000,000
Dec1997	\$0.62	Total Current Liabilities	\$1,952,000,000
Dec1996	\$0.66	Long-Term Debt	\$10,683,000,000
		Total Assets	\$35,039,000,000
		Intangible Assets	\$0
		Total Liabilities	\$23,371,000,000
		Shares Outstanding (Diluted Average)	974,940,000





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

[26 Companies in the Spotlight This Week – 12/13/14](#)

Other ModernGraham posts about related companies

- [Union Pacific Corporation Valuation – February 2016 Update \\$UNP](#)
- [Norfolk Southern Corporation Analysis – September 2015 Update \\$NSC](#)
- [Kansas City Southern Analysis – August 2015 Update \\$KSU](#)
- [CSX Corporation Annual Valuation – 2014 \\$CSX](#)
- [Union Pacific Corporation Annual Valuation – 2014 \\$UNP](#)
- [Norfolk Southern Corporation Annual Stock Valuation – 2014 \\$NSC](#)
- [Kansas City Southern Annual Valuation – 2014 \\$KSU](#)
- [Norfolk Southern Corp Quarterly Valuation – June 2014 \\$NSC](#)