

ModernGraham Valuation



Company Name:

Union Pacific
Corporation

Company Ticker UNP

Date of Analysis

2/1/2016

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	\$61,699,535,979	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.29	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	181.98%	Pass
6. Moderate PEmg Ratio	PEmg < 20	13.87	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.02	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	1.29	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	14.73	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	\$5.26
MG Growth Estimate	9.46%
MG Value	\$144.36
MG Value based on 3% Growth	\$76.33
MG Value based on 0% Growth	\$44.74
Market Implied Growth Rate	2.68%

MG Opinion

Current Price	\$73.00
% of Intrinsic Value	50.57%
Opinion	Undervalued

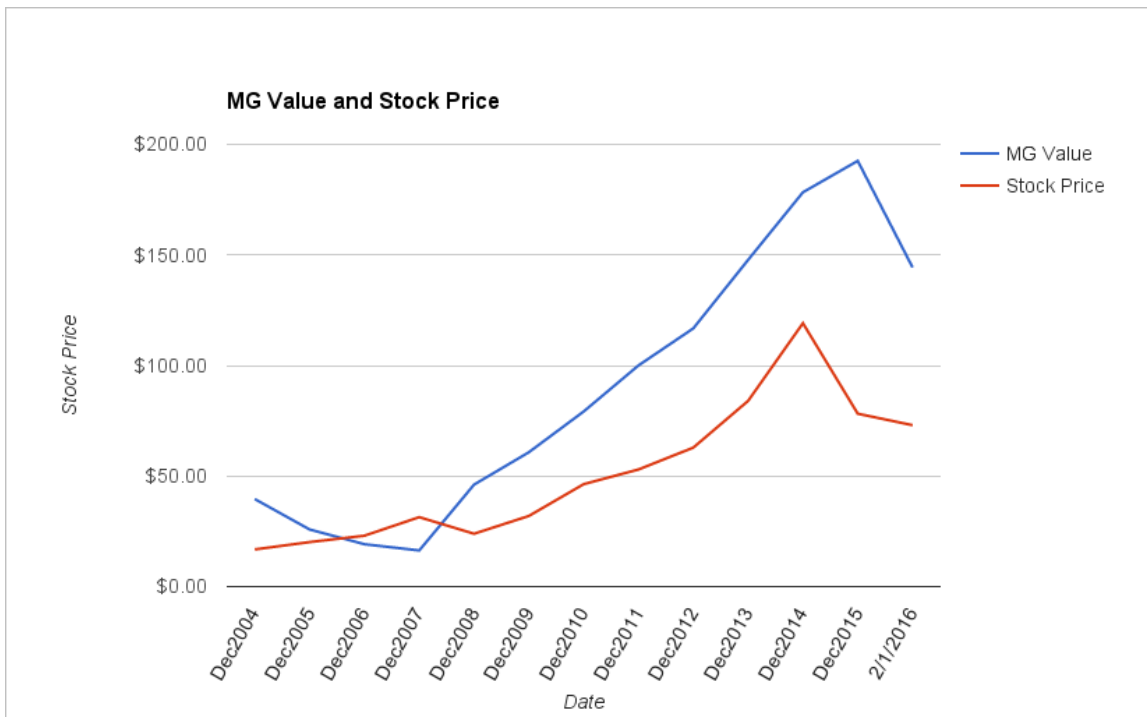
Stage 3: Information for Further Research

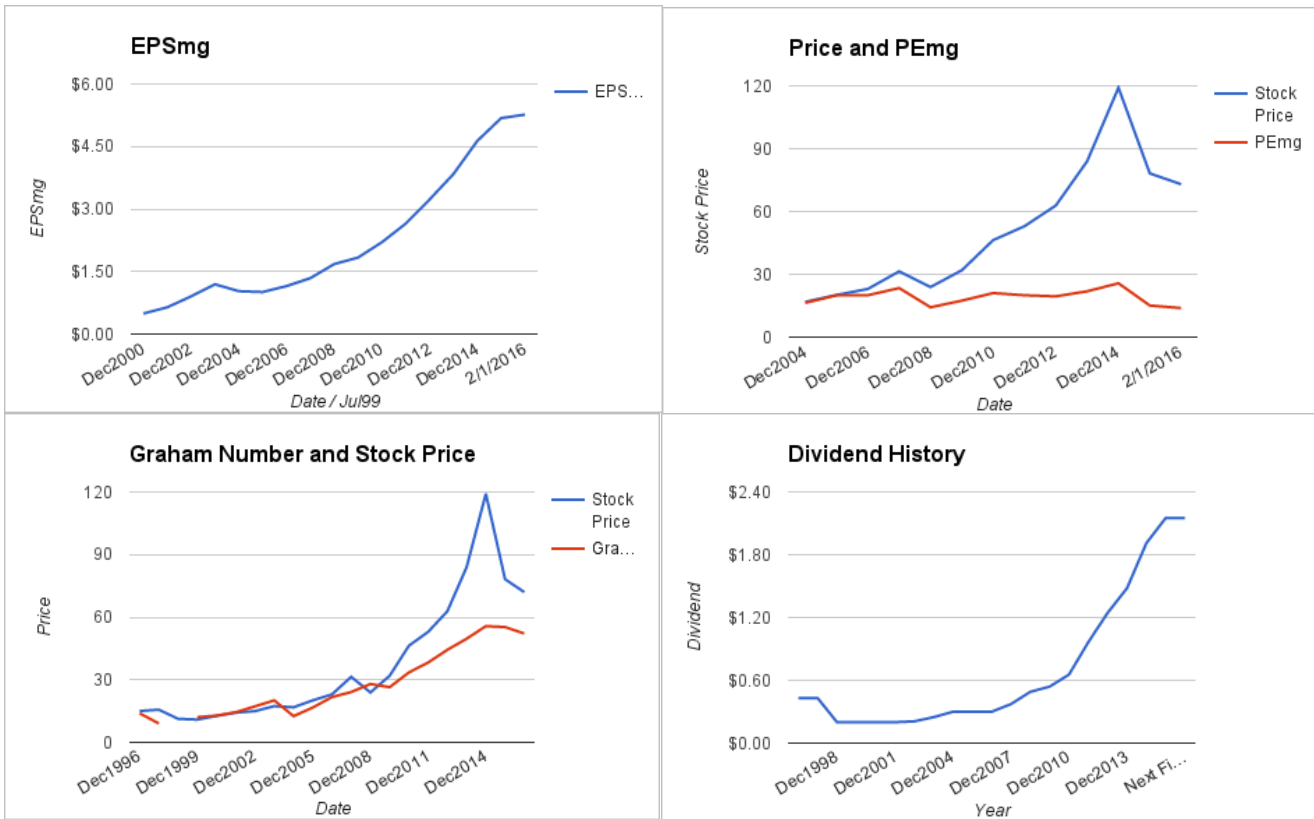
Net Current Asset Value (NCAV)	-\$34.79
Graham Number	\$52.17
PEmg	13.87
Current Ratio	1.29
PB Ratio	3.02
Dividend Yield	2.95%
Number of Consecutive Years of Dividend Growth	10

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	\$5.00	Next Fiscal Year Estimate	\$5.26
Dec2015	\$5.79	Dec2015	\$5.18
Dec2014	\$5.75	Dec2014	\$4.63
Dec2013	\$4.71	Dec2013	\$3.84
Dec2012	\$4.14	Dec2012	\$3.23
Dec2011	\$3.36	Dec2011	\$2.65
Dec2010	\$2.77	Dec2010	\$2.20
Dec2009	\$1.87	Dec2009	\$1.83
Dec2008	\$2.27	Dec2008	\$1.68
Dec2007	\$1.73	Dec2007	\$1.34
Dec2006	\$1.48	Dec2006	\$1.15
Dec2005	\$0.96	Dec2005	\$1.01
Dec2004	\$0.58	Dec2004	\$1.03
Dec2003	\$1.51	Dec2003	\$1.19
Dec2002	\$1.26	Dec2002	\$0.90
Dec2001	\$0.94	Dec2001	\$0.64
Dec2000	\$0.84	Dec2000	\$0.49
Dec1999	\$0.81	Balance Sheet Information Dec2015	
Dec1998	-\$0.64	Total Current Assets	\$4,130,000,000
Dec1997	\$0.44	Total Current Liabilities	\$3,206,000,000
Dec1996	\$1.04	Long-Term Debt	\$13,607,000,000
		Total Assets	\$54,600,000,000
		Intangible Assets	\$0
		Total Liabilities	\$33,898,000,000
		Shares Outstanding (Diluted Average)	855,720,000





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.

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[CSX Corporation Annual Valuation – 2014 \\$CSX](#)

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[Kansas City Southern Annual Valuation – 2014 \\$KSU](#)

[Norfolk Southern Corp Quarterly Valuation – June 2014 \\$NSC](#)