

ModernGraham Valuation

Company Name:

CBS Corporation

Company Ticker

CBS

Date of Analysis

5/12/2016



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	\$24,255,441,223	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.64	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-179.38%	Fail
5. Earnings Growth	PEmg < 20	14.54	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.59	Fail
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	1.64	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.83	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.73
MG Growth Estimate	15.00%
MG Value	\$143.68
MG Value based on 3% Growth	\$54.11
MG Value based on 0% Growth	\$31.72
Market Implied Growth Rate	3.02%

MG Opinion

Current Price	\$54.27
% of Intrinsic Value	37.77%
Opinion	Undervalued
MG Grade	B

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$26.91
Graham Number	\$7.39
PEmg	14.54
Current Ratio	1.64
PB Ratio	4.59
Dividend Yield	6.92%
Number of Consecutive Years of Dividend Growth	2

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	\$4.04	Next Fiscal Year Estimate	\$3.73
Dec2015	\$2.89	Dec2015	\$3.42
Dec2014	\$5.27	Dec2014	\$3.36
Dec2013	\$3.01	Dec2013	\$2.19
Dec2012	\$2.39	Dec2012	\$0.40
Dec2011	\$1.92	Dec2011	-\$1.23
Dec2010	\$1.04	Dec2010	-\$2.68
Dec2009	\$0.33	Dec2009	-\$4.50
Dec2008	-\$17.43	Dec2008	-\$6.80
Dec2007	\$1.73	Dec2007	-\$1.95
Dec2006	\$2.15	Dec2006	-\$3.58
Dec2005	-\$8.98	Dec2005	-\$5.50
Dec2004	-\$10.19	Dec2004	-\$3.16
Dec2003	\$0.80	Dec2003	\$0.29
Dec2002	\$0.41	Dec2002	\$0.01
Dec2001	-\$0.13	Dec2001	-\$0.02
Dec2000	-\$0.67	Dec2000	\$0.35
Dec1999	\$0.45	Balance Sheet Information Mar2016	
Dec1998	-\$0.21	Total Current Assets	\$5,534,000,000
Dec1997	\$2.07	Total Current Liabilities	\$3,384,000,000
Dec1996	\$3.23	Long-Term Debt	\$8,226,000,000
		Total Assets	\$23,501,000,000
		Intangible Assets	\$12,042,000,000
		Total Liabilities	\$18,018,000,000
		Shares Outstanding (Diluted Average)	464,000,000





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.

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