ModernGraham Valuation

Company Name:

Company Ticker CBS Date of Analysis CBS Corporation



Pass

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 Enterpris	se Market Cap > \$2Bil	\$24,255,441,223 Pass
2. Sufficiently Strong Financial C	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
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-179.38% Fail
6. Moderate PEmg Ratio	PEmg < 20	14.54 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.59 Fail
Enterprising Investor; must pass 4 out of the following 5	tests, or be suitable for the Defensive Investor.	
1. Sufficiently Strong Financial C	Condition Current Ratio > 1.5	1.64 Pass
2. Sufficiently Strong Financial C	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

EPSmg greater than 5 years ago

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

GuruFocus

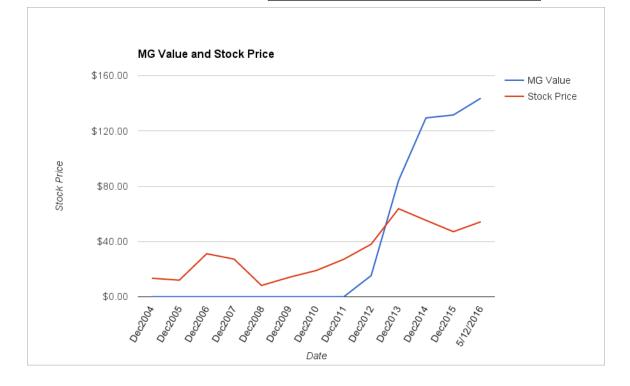
5. Earnings Growth

	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	В	
Stage 3: Inf	ormation for Further Research	1	
-	Net Current Asset Value (NCAV)		-\$26.91

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39
54
64
59
2%
2
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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.

Recommended Reading:

Other	5 Undervalued Companies for Value Investors with a High Beta – January 2016	
ModernGraham posts about the company	12 Best Stocks For Value Investors This Week – 11/14/15	
	CBS Corporation Valuation – November 2015 Update \$CBS	
	The Best Companies of the Media Entertainment Industry – October 2015	
	The 20 Best Stocks For Value Investors This Week – 8/15/15	
Other ModernGraham posts about related companies	Twenty-First Century Fox Inc Valuation – February 2016 Update \$FOXA	
	Scripps Networks Interactive Inc Valuation – February 2016 Update \$SNI	
	Walt Disney Co Valuation – December 2015 Update \$DIS	
	Twenty-First Century Fox Inc Valuation – February 2016 Update \$FOXA	
	Scripps Networks Interactive Inc Valuation – February 2016 Update \$SNI	
	Walt Disney Co Valuation – December 2015 Update \$DIS	
	Wal-Mart Stores Inc. Valuation – November 2015 Update \$WMT	
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	News Corporation Valuation – November 2015 Update \$NWSA	