

ModernGraham Valuation

Company Name:

Viacom, Inc.

Company Ticker VIAB

Date of Analysis

6/11/2016



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	\$15,942,573,608	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.06	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	98.78%	Pass
5. Earnings Growth	PEmg < 20	8.87	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.29	Pass
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	1.06	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	43.55	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	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.74
MG Growth Estimate	7.33%
MG Value	\$109.65
MG Value based on 3% Growth	\$68.66
MG Value based on 0% Growth	\$40.25
Market Implied Growth Rate	0.19%

MG Opinion

Current Price	\$42.02
% of Intrinsic Value	38.32%
Opinion	Undervalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$35.08
Graham Number	\$31.49
PEmg	8.87
Current Ratio	1.06
PB Ratio	4.29
Current Dividend	\$1.60
Dividend Yield	3.81%
Number of Consecutive Years of Dividend Growth	7

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.49	Next Fiscal Year Estimate	\$4.74
Sep2015	\$4.73	Sep2015	\$4.72
Sep2014	\$5.43	Sep2014	\$4.49
Sep2013	\$4.84	Sep2013	\$3.83
Sep2012	\$3.69	Sep2012	\$3.18
Sep2011	\$3.59	Sep2011	\$2.85
Sep2010	\$2.54	Sep2010	\$2.46
Dec2009	\$2.65	Dec2009	\$2.37
Dec2008	\$2.00	Dec2008	\$2.18
Dec2007	\$2.72	Dec2007	\$2.18
Dec2006	\$2.22	Dec2006	\$1.84
Dec2005	\$1.67	Dec2005	\$1.55
Dec2004	\$1.84	Dec2004	\$1.33
Dec2003	\$1.52	Dec2003	\$0.94
Dec2002	\$1.19	Dec2002	\$0.55
Dec2001	\$0.58	Dec2001	\$0.19
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information 3/1/2016	
Dec1998	\$0.00	Total Current Assets	\$4,734,000,000
Dec1997	\$0.00	Total Current Liabilities	\$4,470,000,000
Dec1996	\$0.00	Long-Term Debt	\$11,496,000,000
		Total Assets	\$22,565,000,000
		Intangible Assets	\$11,769,000,000
		Total Liabilities	\$18,676,000,000
		Shares Outstanding (Diluted Average)	397,400,000





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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company

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[5 Undervalued Companies for the Enterprising Investor Near 52 Week Lows – October 2014](#)
[17 Companies in the Spotlight This Week – 9/27/2014](#)
[Viacom Inc. Quarterly Stock Valuation – September 2014 \\$VIAB](#)

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[Graham Holdings Company Valuation – May 2016 \\$GHC](#)
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[Scripps Networks Interactive Inc Valuation – February 2016 Update \\$SNI](#)
[Walt Disney Co Valuation – December 2015 Update \\$DIS](#)
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