ModernGraham Valuation

Company Name:

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Company Ticker Date of Analysis

AT&T Inc.



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

7/19/2016

Defensive Investor; must pass 6 out of the following 7 tests.

	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$263,066,316,377 Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.85 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	1.77% Fail
	6. Moderate PEmg Ratio	PEmg < 20	18.37 Pass
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.14 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	0.85 Fail
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-18.71 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		\$2.33
	MG Growth Estimate		5.68%
	MG Value		\$46.23
	MG Value based on 3% Growth		\$33.77
	MG Value based on 0% Growth		\$19.79
	Market Implied Growth Rate		4.93%
MG Opinion			
	Current Price		\$42.77
	% of Intrinsic Value		92.51%
	Opinion	Fairly Valued	
	MG Grade	C-	

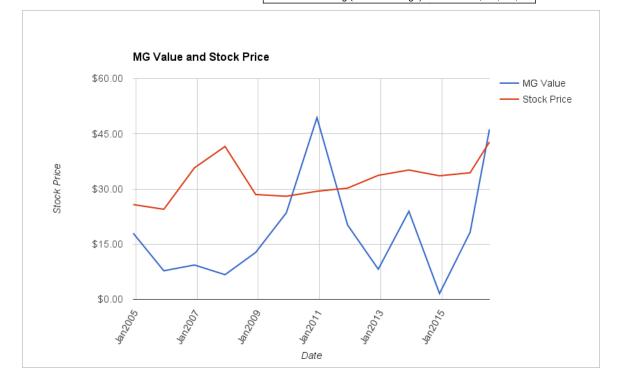
Stage 3: Information for Further Research

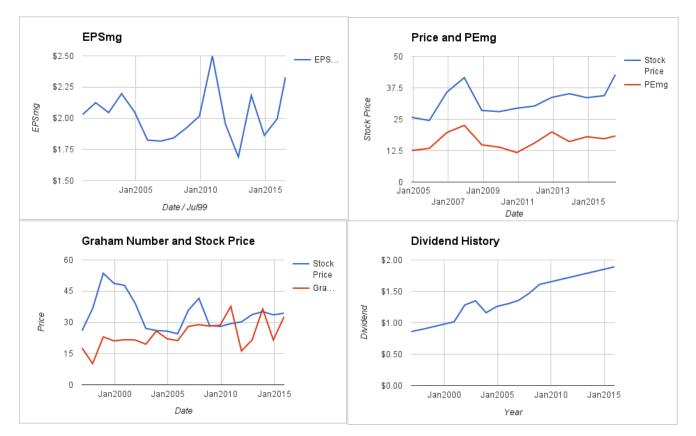
Net Current Asset Value (NCAV)	-\$39.13
Graham Number	\$35.35
PEmg	18.37
Current Ratio	0.85
PB Ratio	2.14
Current Dividend	\$1.90
Dividend Yield	4.44%
Number of Consecutive Years of Dividend Growth	13

Useful Links:

ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	¢0 77	Next Fiscal Year Estimate	\$2.33
Dec2015	\$2.37	Dec2015	\$2.00
Dec2014	\$1.19		\$1.86
Dec2013	\$3.39		\$2.18
Dec2012	\$1.25		\$1.69
Dec2011	\$0.66		\$1.95
Dec2010	\$3.35	Dec2010	\$2.50
Dec2009	\$2.12	Dec2009	\$2.02
Dec2008	\$2.16	Dec2008	\$1.92
Dec2007	\$1.94	Dec2007	\$1.84
Dec2006	\$1.89	Dec2006	\$1.82
Dec2005	\$1.42	Dec2005	\$1.82
Dec2004	\$1.77	Dec2004	\$2.05
Dec2003	\$2.56	Dec2003	\$2.20
Dec2002	\$1.69	Dec2002	\$2.05
Dec2001	\$2.13	Dec2001	\$2.12
Dec2000	\$2.32	Dec2000	\$2.03
Dec1999	\$2.36	Balance Sheet Information	3/1/2016
Dec1998	\$2.03	Total Current Assets	\$38,001,000,000
Dec1997	\$0.80	Total Current Liabilities	\$44,528,000,000
Dec1996	\$1.73	Long-Term Debt	\$122,104,000,000
		Total Assets	\$403,638,000,000
		Intangible Assets	\$225,086,000,000
		Total Liabilities	\$280,206,000,000
		Shares Outstanding (Diluted Average)	6,190,000,000





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 ModernGraham posts about the company	5 Speculative and Overvalued Companies to Avoid – February 2015	
	40 Companies in the Spotlight This Week – 2/21/15	
	5 Most Overvalued Dow Components – February 2015	
	AT&T Inc. Annual Valuation – 2015 \$T	
	5 Most Overvalued Dow Components – January 2015	
Other ModernGraham posts about related companies	Harris Corporation Valuation – February 2016 \$HRS	
	CenturyLink Inc Valuation – February 2016 \$CTL	
	Frontier Communications Corp Valuation – November 2015 Update \$FTR	
	Harris Corporation Analysis – September 2015 Update \$HRS	
	Arris Group Inc. Analysis – Initial Coverage \$ARRS	
	Level 3 Communications Inc. Analysis – Initial Coverage \$LVLT	
	Windstream Holdings Analysis – 2015 Update \$WIN	
	Harris Corporation Analysis – June 2015 Update \$HRS	
	Harris Corporation Quarterly Valuation – March 2015 \$HRS	
	Verizon Communications Annual Valuation – 2015 \$VZ	