

ModernGraham Valuation

Company Name:

Time Warner Inc

Company Ticker TWX

Date of Analysis

7/3/2016



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	\$59,048,821,831	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
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-352.84%	Fail
6. Moderate PEmg Ratio	PEmg < 20	16.17	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.50	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	1.64	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.14	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	\$4.60
MG Growth Estimate	15.00%
MG Value	\$176.92
MG Value based on 3% Growth	\$66.63
MG Value based on 0% Growth	\$39.06
Market Implied Growth Rate	3.84%

MG Opinion

Current Price	\$74.31
% of Intrinsic Value	42.00%
Opinion	Undervalued
MG Grade	B-

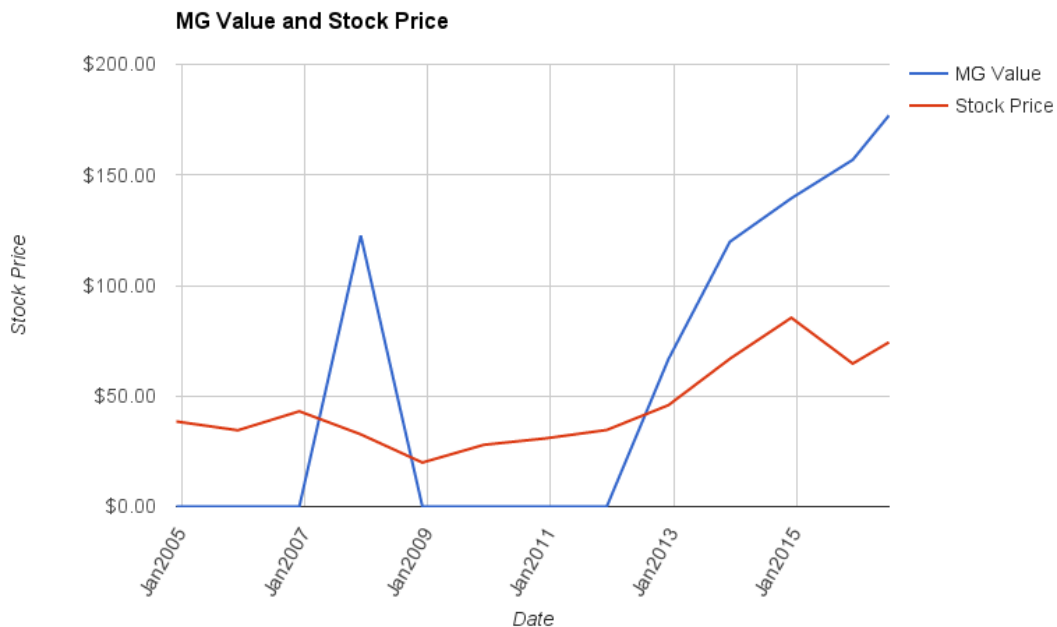
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$34.42
Graham Number	\$60.03
PEmg	16.17
Current Ratio	1.64
PB Ratio	2.50
Current Dividend	\$1.45
Dividend Yield	1.96%
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	\$5.30	Next Fiscal Year Estimate	\$4.60
Dec2015	\$4.62	Dec2015	\$4.07
Dec2014	\$4.34	Dec2014	\$3.62
Dec2013	\$3.92	Dec2013	\$3.11
Dec2012	\$3.09	Dec2012	\$1.73
Dec2011	\$2.71	Dec2011	\$0.66
Dec2010	\$2.25	Dec2010	-\$0.16
Dec2009	\$2.07	Dec2009	-\$0.86
Dec2008	-\$11.22	Dec2008	-\$1.48
Dec2007	\$3.51	Dec2007	\$3.18
Dec2006	\$4.65	Dec2006	-\$1.72
Dec2005	\$1.86	Dec2005	-\$7.54
Dec2004	\$2.16	Dec2004	-\$12.46
Dec2003	\$1.71	Dec2003	-\$17.56
Dec2002	-\$66.45	Dec2002	-\$22.62
Dec2001	-\$3.33	Dec2001	-\$0.59
Jun2000	\$1.44	Jun2000	\$0.62
Jun1999	\$0.90	Balance Sheet Information 3/1/2016 Total Current Assets \$11,792,000,000 Total Current Liabilities \$7,194,000,000 Long-Term Debt \$23,622,000,000 Total Assets \$63,254,000,000 Intangible Assets \$35,616,000,000 Total Liabilities \$39,411,000,000 Shares Outstanding (Diluted Average) 802,300,000	
Jun1998	\$0.15		
Jun1997	-\$0.99		
Jun1996	\$0.06		





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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