

ModernGraham Valuation



Company Name:

Windstream Holdings,
Inc.

Company Ticker WIN

Date of Analysis

8/24/2016

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	\$798,997,600	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.78	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	-120.28%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-8.29	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.34	Fail

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	0.78	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-19.06	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$1.00
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$14.50
MG Value based on 0% Growth	-\$8.50
Market Implied Growth Rate	-8.39%

MG Opinion

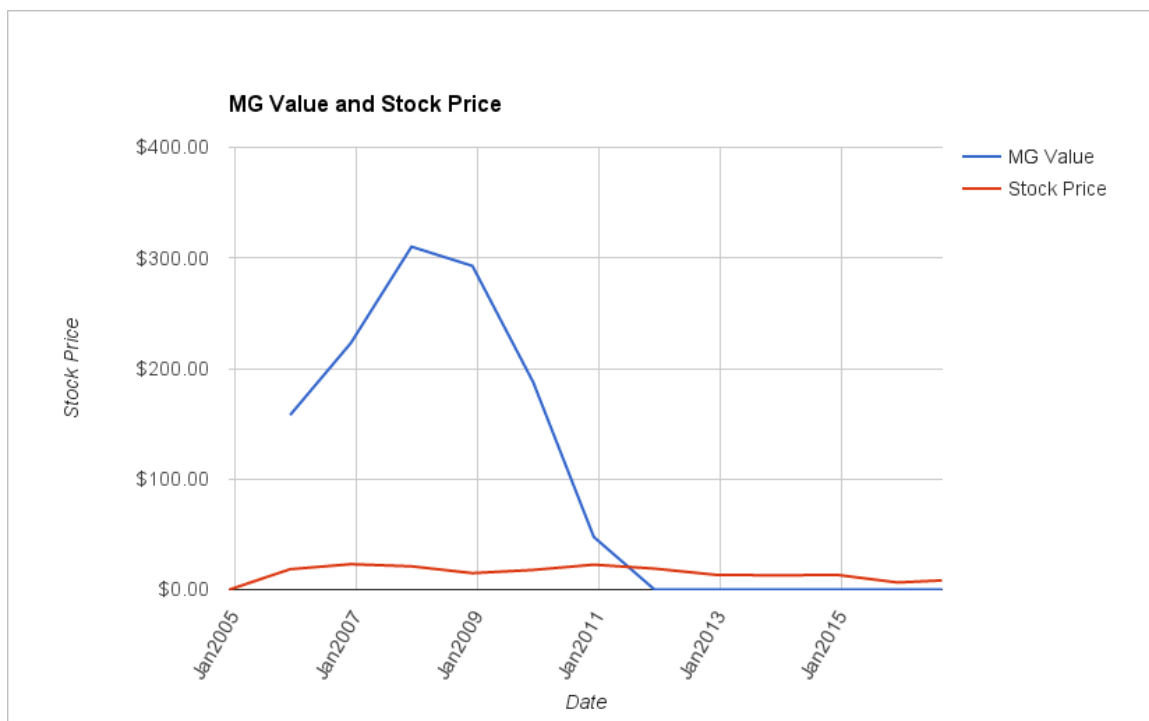
Current Price	\$8.29
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$114.45
Graham Number	\$0.00
PEmg	-8.29
Current Ratio	0.78
PB Ratio	2.34
Current Dividend	\$0.60
Dividend Yield	7.24%
Number of Consecutive Years of Dividend Growth	0

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[Google Finance](#) [MSN Money](#)
[Yahoo Finance](#) [Seeking Alpha](#)
[GuruFocus](#) [SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$4.23	Next Fiscal Year Estimate	-\$1.00
Dec2015	\$0.24	Dec2015	\$0.80
Dec2014	-\$0.45	Dec2014	\$1.36
Dec2013	\$2.41	Dec2013	\$2.49
Dec2012	\$1.72	Dec2012	\$2.88
Dec2011	\$1.92	Dec2011	\$4.16
Dec2010	\$4.01	Dec2010	\$5.75
Dec2009	\$4.64	Dec2009	\$6.74
Dec2008	\$5.62	Dec2008	\$7.61
Dec2007	\$11.64	Dec2007	\$8.06
Dec2006	\$7.50	Dec2006	\$5.79
Dec2005	\$5.58	Dec2005	\$4.10
Dec2004	\$5.76	Dec2004	\$2.68
Dec2003	\$4.38	Dec2003	\$0.81
Dec2002	\$1.02	Dec2002	-\$0.89
Dec2001	-\$4.62	Dec2001	-\$1.54
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information	
Dec1998	\$0.00	6/1/2016	
Dec1997	\$0.00	Total Current Assets	\$871,700,000
Dec1996	\$0.00	Total Current Liabilities	\$1,120,000,000
		Long-Term Debt	\$4,731,600,000
		Total Assets	\$11,821,600,000
		Intangible Assets	\$5,625,000,000
		Total Liabilities	\$11,492,400,000
		Shares Outstanding (Diluted Average)	92,800,000





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

- [Windstream Holdings Analysis – 2015 Update \\$WIN](#)
- [16 Companies in the Spotlight This Week – 5/24/14](#)
- [Windstream Holdings Inc. 2014 Annual Valuation \\$WIN](#)

Other ModernGraham posts about related companies

- [Verizon Communications Inc Valuation – July 2016 \\$VZ](#)
- [AT&T Inc Valuation – July 2016 \\$T](#)
- [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 \\$LVT](#)
- [Windstream Holdings Analysis – 2015 Update \\$WIN](#)
- [Harris Corporation Analysis – June 2015 Update \\$HRS](#)