

ModernGraham Valuation

Consolidated
Communications
Holdings Inc



Company Name:

Company Ticker CNSL

Date of Analysis

1/31/2017

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	\$1,317,088,483	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.85	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-56.53%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	83.82	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.38	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	0.85	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.31
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$4.53
MG Value based on 0% Growth	\$2.65
Market Implied Growth Rate	37.66%

MG Opinion

Current Price	\$26.18
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$35.17
Graham Number	\$6.12
PEmg	83.82
Current Ratio	0.85
PB Ratio	6.38
Current Dividend	\$1.55
Dividend Yield	5.91%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.41	Next Fiscal Year Estimate	\$0.31
Dec2015	-\$0.02	Dec2015	\$0.32
Dec2014	\$0.35	Dec2014	\$0.54
Dec2013	\$0.76	Dec2013	\$0.67
Dec2012	\$0.15	Dec2012	\$0.64
Dec2011	\$0.88	Dec2011	\$0.84
Dec2010	\$1.09	Dec2010	\$0.76
Dec2009	\$0.84	Dec2009	\$0.49
Dec2008	\$0.42	Dec2008	\$0.12
Dec2007	\$0.44	Dec2007	-\$0.15
Dec2006	\$0.47	Dec2006	-\$0.47
Dec2005	-\$0.83	Dec2005	-\$0.82
Dec2004	-\$1.79	Dec2004	-\$0.68
Dec2003	-\$0.33	Dec2003	-\$0.11
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information 9/1/2016	
Dec1998	\$0.00	Total Current Assets	\$129,063,000
Dec1997	\$0.00	Total Current Liabilities	\$151,604,000
Dec1996	\$0.00	Long-Term Debt	\$0
		Total Assets	\$2,104,159,000
		Intangible Assets	\$795,756,000
		Total Liabilities	\$1,897,885,000
		Shares Outstanding (Diluted Average)	50,294,000





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.

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