

ModernGraham Valuation

Company Name:

CSRA Inc

Company Ticker

CSRA

Date of Analysis

2/28/2017



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	\$4,910,453,356	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.99	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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		
5. Earnings Growth		2529900.00%	Pass
6. Moderate PEmg Ratio	PEmg < 20	36.54	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	16.17	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	0.99	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-283.33	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.82
MG Growth Estimate	15.00%
MG Value	\$31.42
MG Value based on 3% Growth	\$11.83
MG Value based on 0% Growth	\$6.94
Market Implied Growth Rate	14.02%

MG Opinion

Current Price	\$29.82
% of Intrinsic Value	94.92%
Opinion	Fairly Valued
MG Grade	D+

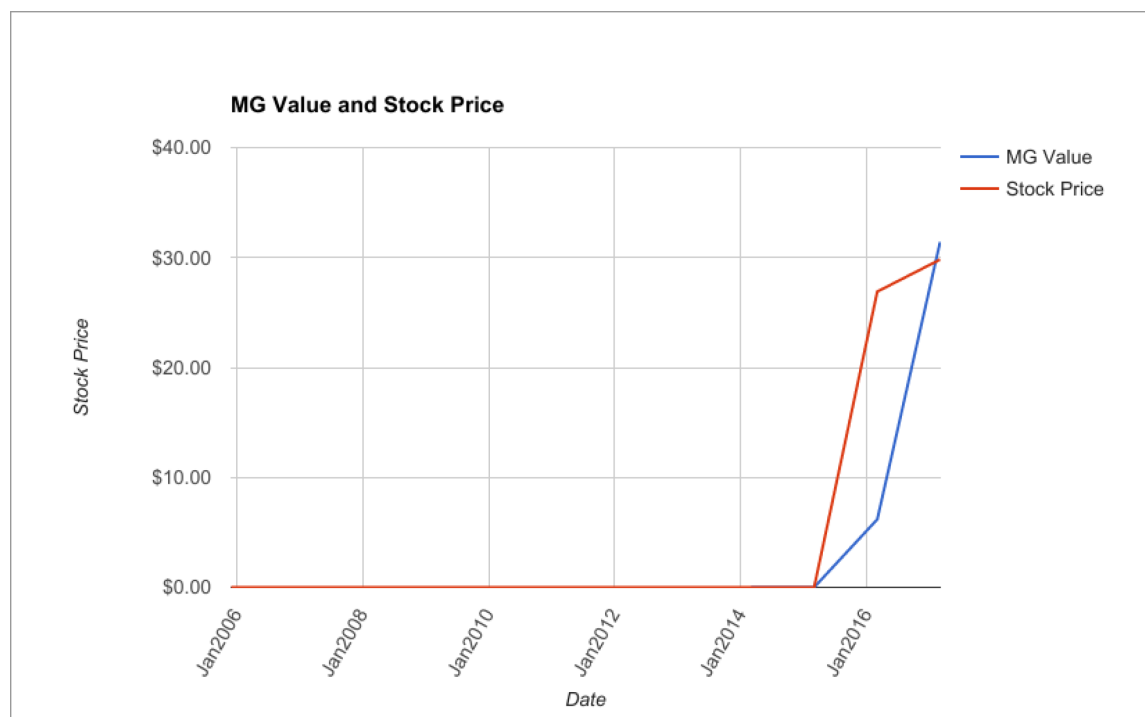
Stage 3: Information for Further Research

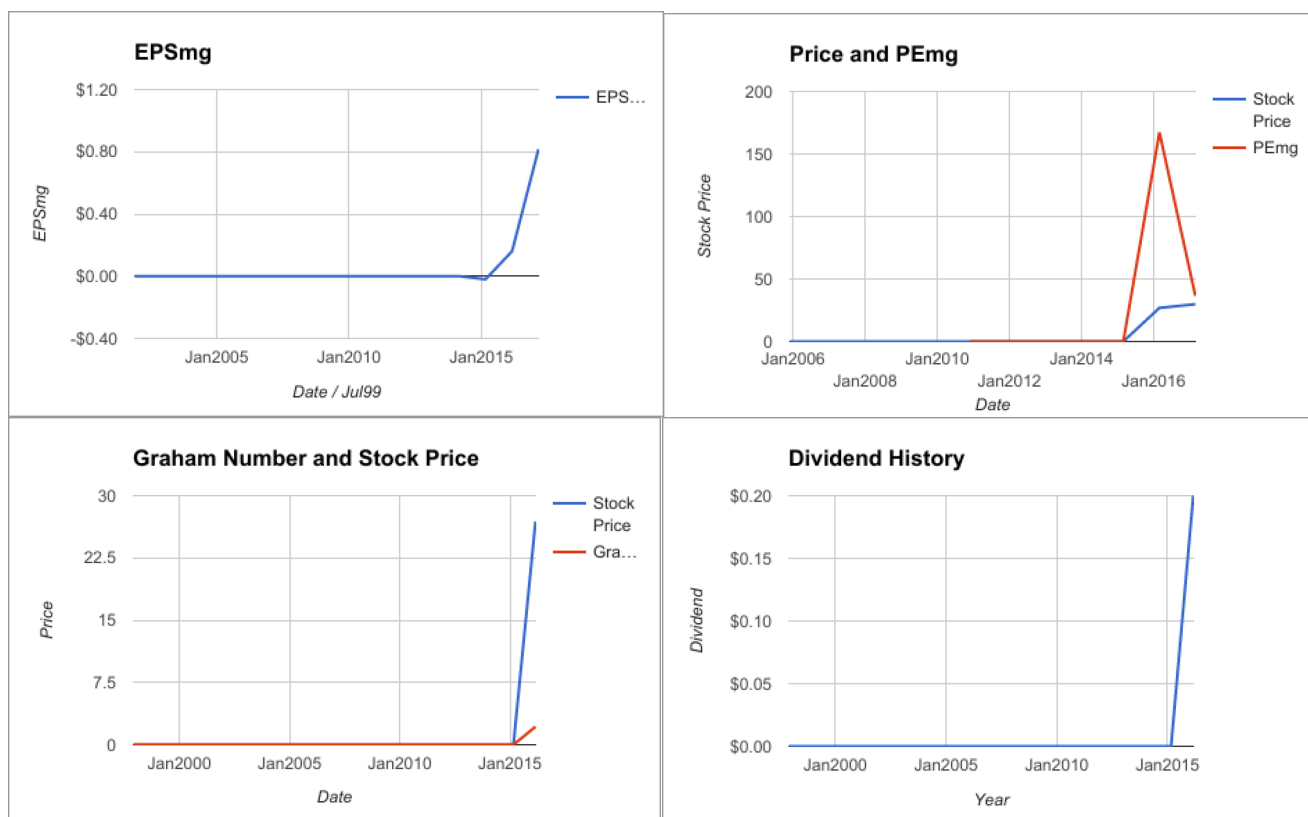
Net Current Asset Value (NCAV)	-\$21.64
Graham Number	\$9.30
PEmg	36.54
Current Ratio	0.99
PB Ratio	16.17
Current Dividend	\$0.40
Dividend Yield	1.34%
Number of Consecutive Years of Dividend Growth	2

Useful Links:

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

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$2.06		\$0.82
Mar2016	\$0.53	Mar2016	\$0.16
Mar2015	-\$0.06	Mar2015	-\$0.02
Mar2014	\$0.00	Mar2014	\$0.00
Mar2013	\$0.00	Mar2013	\$0.00
Dec2012	\$0.00	Dec2012	\$0.00
Dec2011	\$0.00	Dec2011	\$0.00
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information 12/1/2016	
Dec1999	\$0.00	Total Current Assets	\$1,013,000,000
Dec1998	\$0.00	Total Current Liabilities	\$1,022,000,000
Dec1997	\$0.00	Long-Term Debt	\$2,550,000,000
		Total Assets	\$4,886,000,000
		Intangible Assets	\$3,201,000,000
		Total Liabilities	\$4,582,000,000
		Shares Outstanding (Diluted Average)	164,888,000





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

#N/A

Other
ModernGraham
posts about related
companies

[CSG Systems International Inc Valuation – Initial Coverage \\$CSGS](#)
[Computer Programs & Systems Inc Valuation – Initial Coverage \\$CPSI](#)
[Qualcomm Inc Valuation – February 2017 \\$QCOM](#)
[Verisign Inc Valuation – February 2017 \\$VRSN](#)
[Jack Henry & Associates Inc Valuation – Initial Coverage \\$JKHY](#)
[Super Micro Computer Inc Valuation – Initial Coverage \\$SMCI](#)
[Teradata Corp Valuation – January 2017 \\$TDC](#)
[Akamai Technologies Inc Valuation – January 2017 \\$AKAM](#)
[Motorola Solutions Inc Valuation – December 2016 \\$MSI](#)
[Science Applications International Corp Valuation – Initial Coverage \\$SAIC](#)