# **ModernGraham Valuation**

## **Company Name:**

Frontier Communications Corp



Company Ticker FTR Date of Analysis

2/27/2017

#### 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.

	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$3,929,778,738	Pass
:	2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.68	Fail
;	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		
		vears using 3 year averages at		

5. Earnings Growth beginning and end -142.31% Fail
6. Moderate PEmg Ratio PEmg < 20 -16.82 Fail
7. Moderate Price to Assets PB Ratio < 2.5 OR PB\*PEmg < 50 0.82 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	0.68	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-22.88	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
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	-\$0.20
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$2.90
MG Value based on 0% Growth	-\$1.70
Market Implied Growth Rate	-12.66%

MG Opinion

Current Price \$3.37

% of Intrinsic Value N/A
Opinion Overvalued
MG Grade D+

### Stage 3: Information for Further Research

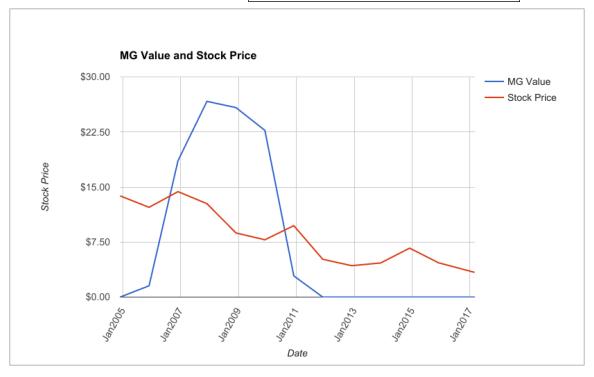
Net Current Asset Value (NCAV)	-\$19.45
Graham Number	\$0.00
PEmg	-16.82
Current Ratio	0.68
PB Ratio	0.82
Current Dividend	\$0.42
Dividend Yield	12.46%
Number of Consecutive Years of Dividend Growth	2

Morningstar

Useful Links: <u>ModernGraham tagged articles</u>

Google FinanceMSN MoneyYahoo FinanceSeeking AlphaGuruFocusSEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	***	Next Fiscal Year Estimate	-\$0.20
Dec2015	-\$0.29	Dec2015	-\$0.01
Dec2014	\$0.13	Dec2014	\$0.13
Dec2013	\$0.11	Dec2013	\$0.16
Dec2012	\$0.13	Dec2012	\$0.22
Dec2011	\$0.15	Dec2011	\$0.31
Dec2010	\$0.23	Dec2010	\$0.45
Dec2009	\$0.38	Dec2009	\$0.59
Dec2008	\$0.57	Dec2008	\$0.67
Dec2007	\$0.65	Dec2007	\$0.69
Dec2006	\$1.06	Dec2006	\$0.48
Dec2005	\$0.60	Dec2005	\$0.04
Dec2004	\$0.23	Dec2004	-\$0.30
Dec2003	\$0.64	Dec2003	-\$0.49
Dec2002	-\$2.43	Dec2002	-\$0.85
Dec2001	-\$0.38	Dec2001	-\$0.01
Dec2000	-\$0.11	Dec2000	\$0.21
Dec1999	\$0.55	Balance Sheet Information	9/1/2016
Dec1998	\$0.22	Total Current Assets	\$1,644,000,000
Dec1997	\$0.04	Total Current Liabilities	\$2,406,000,000
Dec1996	\$0.71	Long-Term Debt	\$17,434,000,000
		Total Assets	\$29,045,000,000
		Intangible Assets	\$12,379,000,000
		Total Liabilities	\$24,288,000,000
		Shares Outstanding (Diluted Average)	1,164,172,000





#### 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 Frontier Communications Corp Valuation - November 2015 Update \$FTR

Frontier Communications Corp Annual Valuation - 2014 \$FTR

Other ModernGraham posts about related companies Windstream Holdings Inc Valuation - August 2016 \$WIN

<u>Verizon Communications Inc Valuation – July 2016 \$VZ</u>

AT&T Inc Valuation – July 2016 \$T

<u>Harris Corporation Valuation – February 2016 \$HRS</u>

CenturyLink Inc Valuation – February 2016 \$CTL

Frontier Communications Corp Valuation - November 2015 Update \$FTR

<u>Harris Corporation Analysis – September 2015 Update \$HRS</u>

Arris Group Inc. Analysis - Initial Coverage \$ARRS

Level 3 Communications Inc. Analysis – Initial Coverage \$LVLT

Windstream Holdings Analysis – 2015 Update \$WIN