

ModernGraham Valuation

Company Name:

CBS Corporation

Company Ticker CBS

Date of Analysis

4/16/2018



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	\$19,385,377,917	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.58	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	167.17%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	15.74	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	10.24	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	1.58	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.11	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.23
MG Growth Estimate	-0.58%
MG Value	\$23.75
MG Value based on 3% Growth	\$46.88
MG Value based on 0% Growth	\$27.48
Market Implied Growth Rate	3.62%

MG Opinion

Current Price	\$50.90
% of Intrinsic Value	214.29%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$31.64
Graham Number	\$24.34
PEmg	15.74
Current Ratio	1.58
PB Ratio	10.24
Current Dividend	\$0.72
Dividend Yield	1.41%
Number of Consecutive Years of Dividend Growth	7

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.10	Next Fiscal Year Estimate	\$3.23
Dec2017	\$0.88	Dec2017	\$2.52
Dec2016	\$2.81	Dec2016	\$3.32
Dec2015	\$2.89	Dec2015	\$3.42
Dec2014	\$5.27	Dec2014	\$3.36
Dec2013	\$3.01	Dec2013	\$2.19
Dec2012	\$2.39	Dec2012	\$0.40
Dec2011	\$1.92	Dec2011	-\$1.23
Dec2010	\$1.04	Dec2010	-\$2.68
Dec2009	\$0.33	Dec2009	-\$4.50
Dec2008	-\$17.43	Dec2008	-\$7.47
Dec2007	\$1.73	Dec2007	-\$3.25
Dec2006	\$2.15	Dec2006	-\$5.48
Dec2005	-\$8.98	Dec2005	-\$8.01
Dec2004	-\$20.37	Dec2004	-\$6.32
Dec2003	\$1.61	Dec2003	\$0.58
Dec2002	\$0.82	Dec2002	\$0.03
Dec2001	-\$0.26	Balance Sheet Information 12/1/2017	
Dec2000	-\$1.34	Total Current Assets	\$6,273,000,000
Dec1999	\$0.90	Total Current Liabilities	\$3,972,000,000
Dec1998	-\$0.42	Long-Term Debt	\$9,464,000,000
		Total Assets	\$20,843,000,000
		Intangible Assets	\$7,557,000,000
		Total Liabilities	\$18,865,000,000
		Shares Outstanding (Diluted Average)	398,000,000





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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Other ModernGraham posts about the company

- [7 Best Undervalued Stocks of the Week – 9/3/16](#)
- [CBS Corporation Valuation – August 2016 \\$CBS](#)
- [6 Best Stocks For Value Investors This Week – 5/14/16](#)
- [CBS Corporation Valuation – May 2016 \\$CBS](#)
- [5 Undervalued Companies for Value Investors with a High Beta – January 2016](#)

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- [Time Warner Inc Valuation – March 2018 \\$TWX](#)
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- [Twenty-First Century Fox Inc Valuation – March 2018 \\$FOXA](#)
- [Walt Disney Co Valuation – February 2018 \\$DIS](#)
- [Live Nation Entertainment Inc Valuation – Initial Coverage \\$LYV](#)
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