

ModernGraham Valuation



Company Name:

Charter
Communications, Inc.

Company Ticker CHTR

Date of Analysis

4/30/2018

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	\$62,530,062,700	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.21	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-949.17%	Fail
6. Moderate PEmg Ratio	PEmg < 20	22.11	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.75	Pass

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	0.21	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-7.35	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$12.27
MG Growth Estimate	15.00%
MG Value	\$472.50
MG Value based on 3% Growth	\$177.95
MG Value based on 0% Growth	\$104.32
Market Implied Growth Rate	6.80%

MG Opinion

Current Price	\$271.29
% of Intrinsic Value	57.42%
Opinion	Undervalued
MG Grade	C-

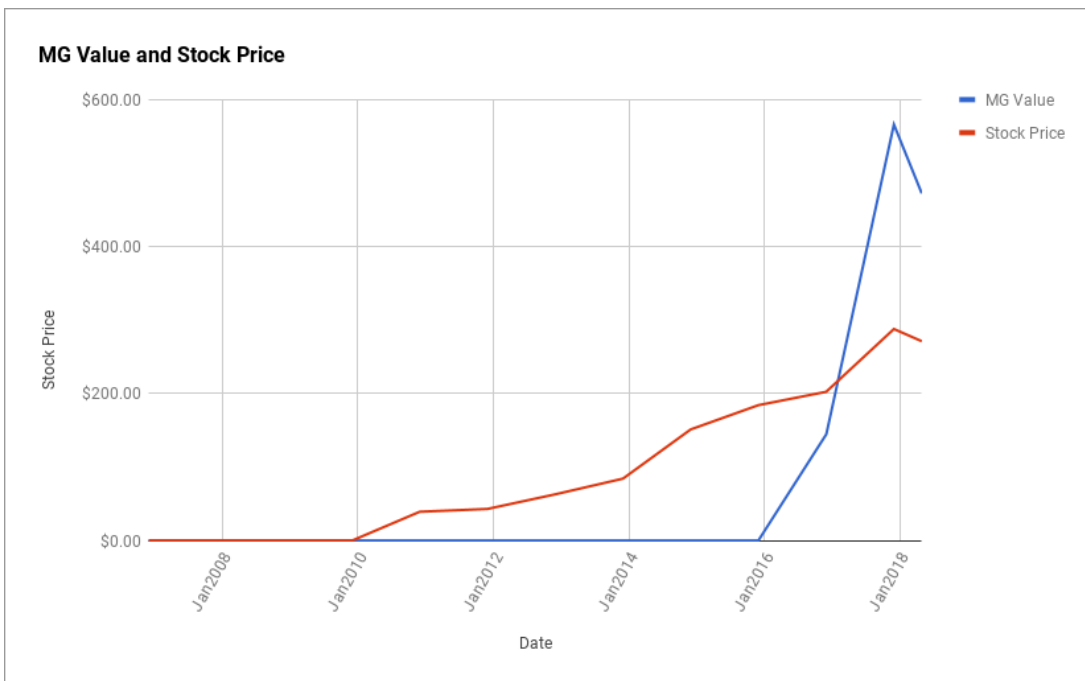
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$420.16
Graham Number	\$70.94
PEmg	22.11
Current Ratio	0.21
PB Ratio	1.75
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$1.43	Next Fiscal Year Estimate	\$12.27
Dec2017	\$34.09	Dec2017	\$14.71
Dec2016	\$15.94	Dec2016	\$3.75
Dec2015	-\$2.68	Dec2015	-\$2.46
Dec2014	-\$1.88	Dec2014	-\$2.44
Dec2013	-\$1.83	Dec2013	-\$2.57
Dec2012	-\$3.37	Dec2012	-\$3.07
Dec2011	-\$3.75	Dec2011	-\$3.14
Dec2010	-\$2.31	Dec2010	-\$3.14
Dec2009	\$0.00	Dec2009	-\$3.70
Dec2008	-\$7.26	Dec2008	-\$6.09
Dec2007	-\$4.61	Dec2007	-\$5.64
Dec2006	-\$4.57	Dec2006	-\$6.40
Dec2005	-\$3.46	Dec2005	-\$7.18
Dec2004	-\$16.00	Dec2004	-\$8.39
Dec2003	-\$0.91	Dec2003	-\$4.51
Dec2002	-\$9.46	Dec2002	-\$5.60
Dec2001	-\$4.79	Balance Sheet Information 3/1/2018	
Dec2000	-\$4.20	Total Current Assets	\$2,398,000,000
Dec1999	-\$2.46	Total Current Liabilities	\$11,602,000,000
Dec1998	\$0.00	Long-Term Debt	\$67,609,000,000
		Total Assets	\$146,151,000,000
		Intangible Assets	\$108,625,000,000
		Total Liabilities	\$107,383,000,000
		Shares Outstanding (Diluted Average)	249,870,000





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 [Charter Communications Inc Valuation – Initial Coverage \\$CHTR](#)

Other ModernGraham posts about related companies [DISH Network Corp Valuation – Initial Coverage \\$DISH](#)
[AT&T Inc Valuation – April 2018 \\$T](#)
[Comcast Corporation Valuation – March 2018 \\$CMCSA](#)
[Spok Holdings Inc Valuation – March 2018 \\$SPOK](#)
[SBA Communications Corp Valuation – Initial Coverage \\$SBAC](#)
[Harris Corporation Valuation – February 2018 \\$HRS](#)
[Verizon Communications Inc Valuation – February 2018 \\$VZ](#)
[Mitel Networks Corp Valuation – Initial Coverage \\$TSE:MNW](#)
[ATN International Inc Valuation – Initial Coverage \\$ATNI](#)
[CenturyLink Inc Valuation – July 2017 \\$CTL](#)