

ModernGraham Valuation

Company Name:

CSX Corporation

Company Ticker CSX

Date of Analysis

4/9/2018



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	\$48,283,384,924	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.01	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	164.64%	Pass
6. Moderate PEmg Ratio	PEmg < 20	16.52	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.33	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	1.01	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	561.43	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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.29
MG Growth Estimate	12.41%
MG Value	\$109.75
MG Value based on 3% Growth	\$47.76
MG Value based on 0% Growth	\$28.00
Market Implied Growth Rate	4.01%

MG Opinion

Current Price	\$54.42
% of Intrinsic Value	49.58%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$21.27
Graham Number	\$32.38
PEmg	16.52
Current Ratio	1.01
PB Ratio	3.33
Current Dividend	\$0.78
Dividend Yield	1.43%
Number of Consecutive Years of Dividend Growth	13

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	\$2.82	Next Fiscal Year Estimate	\$3.29
Dec2017	\$5.99	Dec2017	\$3.26
Dec2016	\$1.81	Dec2016	\$1.88
Dec2015	\$2.00	Dec2015	\$1.90
Dec2014	\$1.92	Dec2014	\$1.80
Dec2013	\$1.83	Dec2013	\$1.67
Dec2012	\$1.79	Dec2012	\$1.52
Dec2011	\$1.70	Dec2011	\$1.33
Dec2010	\$1.35	Dec2010	\$1.13
Dec2009	\$0.96	Dec2009	\$1.00
Dec2008	\$1.11	Dec2008	\$0.95
Dec2007	\$1.00	Dec2007	\$0.80
Dec2006	\$0.94	Dec2006	\$0.63
Dec2005	\$0.84	Dec2005	\$0.44
Dec2004	\$0.25	Dec2004	\$0.23
Dec2003	\$0.19	Dec2003	\$0.20
Dec2002	\$0.32	Dec2002	\$0.20
Dec2001	\$0.19	Balance Sheet Information 12/1/2017	
Dec2000	\$0.10	Total Current Assets	\$1,915,000,000
Dec1999	\$0.00	Total Current Liabilities	\$1,894,000,000
Dec1998	\$0.41	Long-Term Debt	\$11,790,000,000
		Total Assets	\$35,739,000,000
		Intangible Assets	\$63,000,000
		Total Liabilities	\$21,034,000,000
		Shares Outstanding (Diluted Average)	899,000,000





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.

Recommended Reading:

Other ModernGraham posts about the company

- [26 Best Stocks For Value Investors This Week – 2/6/16](#)
- [CSX Corporation Valuation – February 2016 Update \\$CSX](#)
- [26 Companies in the Spotlight This Week – 12/13/14](#)
- [CSX Corporation Annual Valuation – 2014 \\$CSX](#)

Other ModernGraham posts about related companies

- [Norfolk Southern Corp Valuation – August 2016 \\$NSC](#)
- [CSX Corporation Valuation – August 2016 \\$CSX](#)
- [Union Pacific Corp Valuation – August 2016 \\$UNP](#)
- [Norfolk Southern Corp Valuation – February 2016 Update \\$NSC](#)
- [CSX Corporation Valuation – February 2016 Update \\$CSX](#)
- [Union Pacific Corporation Valuation – February 2016 Update \\$UNP](#)
- [Norfolk Southern Corporation Analysis – September 2015 Update \\$NSC](#)
- [Kansas City Southern Analysis – August 2015 Update \\$KSU](#)
- [CSX Corporation Annual Valuation – 2014 \\$CSX](#)
- [Union Pacific Corporation Annual Valuation – 2014 \\$UNP](#)