ModernGraham Valuation

Company Name:

Company Ticker UNP Date of Analysis



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

4/8/2018

Union Pacific

Corporation

Defensive Investor; must pass 6 out of the following 7 tests

1. Adequate Size of the Enterprise Market Cap > \$2Bil \$101,042,499,049 Pass 2. Sufficiently Strong Financial Condition Current Ratio > 2 1.02 Fail 3. Earnings Stability Positive EPS for 10 years prior Pass 4. Dividend Record Dividend Payments for 10 years prior Pass 5. Earnings Growth beginning and end 220.08% Pass 6. Moderate PErng Ratio PErng < 20 16.13 Pass 7. Moderate PErice to Assets PB Ratio < 2.5 OR PB*PErng < 50 4.13 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 1.02 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 EPSmg \$8.08 MG Growth Estimate 11.16% MG Growth \$248.92 MG Value based on 3% Growth \$88.67 MG Value based on 3% Growth \$88.67 MG Value based on 0% Growth \$88.67 <td< th=""><th>Defensive Investor; must</th><th>t pass 6 out of the following 7 tests.</th><th></th><th></th><th></th></td<>	Defensive Investor; must	t pass 6 out of the following 7 tests.			
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4. Dividend Record Dividend Payments for 10 years prior Pass Increase of 33% in EPS in past 10 years using 3 year averages at 220.08% Pass 6. Moderate PEmg Ratio PEmg < 20 16.13 Pass 7. Moderate Price to Assets PB Ratio < 2.5 OR PB*PEmg < 50 4.13 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 1.02 Fail 2. Sufficiently Strong Financial Condition Current Ratio > 1.5 1.02 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 Pass 5. Earnings Growth EPSmg greater than 5 years ago Pass Suitability Defensive No No Suitability Suitability Defensive No EPSmg \$8.08 MG Yalue based on 3% Growth \$117.14 MG Value based on 0% Growth \$68.67 3.81% MG Value based on 0% Growth \$86.67 3.81% </th <th>2</th> <th>2. Sufficiently Strong Financial Condition</th> <th>Current Ratio > 2</th> <th>1.02</th> <th>Fail</th>	2	2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.02	Fail
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MG Opinion	Ν	IG Value based on 0% Growth	\$68.67		
	Ν	Aarket Implied Growth Rate	3.81%		
Current Price \$130.28	MG Opinion				
	C	Current Price	\$130.28		

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% of Intrinsic Value		52.34%
Opinion	Undervalued	
MG Grade	C-	

Stage 3: Information for Further Research

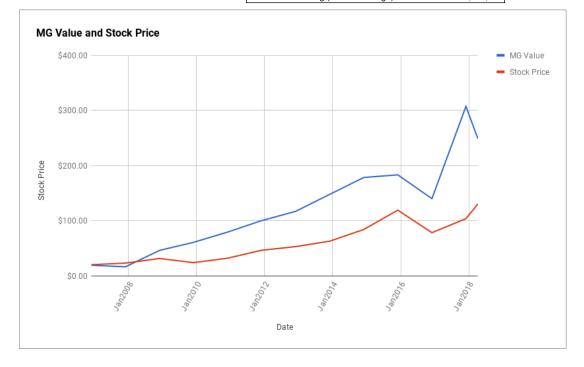
Net Current Asset Value (NCAV)	-\$36.76
Graham Number	\$71.61
PEmg	16.13
Current Ratio	1.02
PB Ratio	4.13
Current Dividend	\$2.48
Dividend Yield	1.90%
Number of Consecutive Years of Dividend	
Growth	11

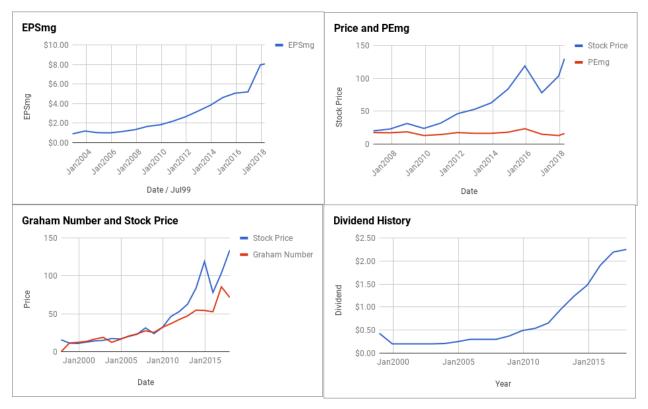
Useful Links:

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Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$7.16	Next Fiscal Year Estimate	\$8.08
Dec2017	\$13.36	Dec2017	\$7.98
Dec2016	\$5.07	Dec2016	\$5.2
Dec2015	\$5.49	Dec2015	\$5.08
Dec2014	\$5.75	Dec2014	\$4.63
Dec2013	\$4.71	Dec2013	\$3.84
Dec2012	\$4.14	Dec2012	\$3.23
Dec2011	\$3.36	Dec2011	\$2.6
Dec2010	\$2.77	Dec2010	\$2.20
Dec2009	\$1.87	Dec2009	\$1.8
Dec2008	\$2.27	Dec2008	\$1.6
Dec2007	\$1.73	Dec2007	\$1.34
Dec2006	\$1.48	Dec2006	\$1.1
Dec2005	\$0.96	Dec2005	\$1.0
Dec2004	\$0.58	Dec2004	\$1.03
Dec2003	\$1.51	Dec2003	\$1.19
Dec2002	\$1.26	Dec2002	\$0.90
Dec2001	\$0.94	Balance Sheet Information	12/1/2017
Dec2000	\$0.84	Total Current Assets	\$4,006,000,000
Dec1999	\$0.81	Total Current Liabilities	\$3,939,000,000
Dec1998	-\$0.64	Long-Term Debt	\$16,144,000,000
		Total Assets	\$57,806,000,000
		Intangible Assets	\$0
		Total Liabilities	\$32,950,000,000
		Shares Outstanding (Diluted Average)	787,300,000





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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ModernGraham posts about the	Union Pacific Corporation Valuation – February 2016 Update \$UNP
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	Union Pacific Corporation Annual Valuation – 2014 \$UNP
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