

ModernGraham Valuation

Company Name:

CBRE Group Inc

Company Ticker

CBRE

Date of Analysis

6/1/2018



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	\$15,651,811,146	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.18	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	346.98%	Pass
5. Earnings Growth	PEmg < 20	21.20	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.57	Fail
7. Moderate Price to Assets			

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	1.18	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.99	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
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	\$2.17
MG Growth Estimate	15.00%
MG Value	\$83.67
MG Value based on 3% Growth	\$31.51
MG Value based on 0% Growth	\$18.47
Market Implied Growth Rate	6.35%

MG Opinion

Current Price	\$46.07
% of Intrinsic Value	55.06%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$5.06
Graham Number	\$27.99
PEmg	21.20
Current Ratio	1.18
PB Ratio	3.57
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$2.94	Dec2017	\$2.17
Dec2016	\$2.03	Dec2016	\$1.71
Dec2015	\$1.69	Dec2015	\$1.48
Dec2014	\$1.63	Dec2014	\$1.30
Dec2013	\$1.45	Dec2013	\$1.07
Dec2012	\$0.95	Dec2012	\$0.82
Dec2011	\$0.97	Dec2011	\$0.34
Dec2010	\$0.74	Dec2010	-\$0.09
Dec2009	\$0.63	Dec2009	-\$0.41
Dec2008	\$0.12	Dec2008	-\$0.67
Dec2007	-\$4.81	Dec2007	-\$0.74
Dec2006	\$1.66	Dec2006	\$1.13
Dec2005	\$1.35	Dec2005	\$0.74
Dec2004	\$0.95	Dec2004	\$0.42
Dec2003	\$0.30	Dec2003	\$0.17
Dec2002	-\$0.23	Dec2002	\$0.11
Dec2001	\$0.15	Dec2001	\$0.25
Dec2000	\$0.73	Balance Sheet Information	
Dec1999	\$0.00	3/1/2018	
Dec1998	\$0.00	Total Current Assets	
		\$5,754,300,000	
		Total Current Liabilities	
		\$4,869,655,000	
		Long-Term Debt	
		\$1,758,188,000	
		Total Assets	
		\$11,907,442,000	
		Intangible Assets	
		\$4,677,134,000	
		Total Liabilities	
		\$7,488,768,000	
		Shares Outstanding (Diluted Average)	
		342,590,000	





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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