

ModernGraham Valuation

Company Name:

News Corp

Company Ticker

NWS

Date of Analysis

6/10/2018



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	\$9,284,807,779	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.62	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-347.35%	Fail
5. Earnings Growth	PEmg < 20	-17.42	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.94	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	1.62	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.12	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.93
MG Growth Estimate	-4.25%
MG Value	\$1.04
MG Value based on 3% Growth	-\$13.45
MG Value based on 0% Growth	-\$7.88
Market Implied Growth Rate	-12.96%

MG Opinion

Current Price	\$16.15
% of Intrinsic Value	1555.74%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

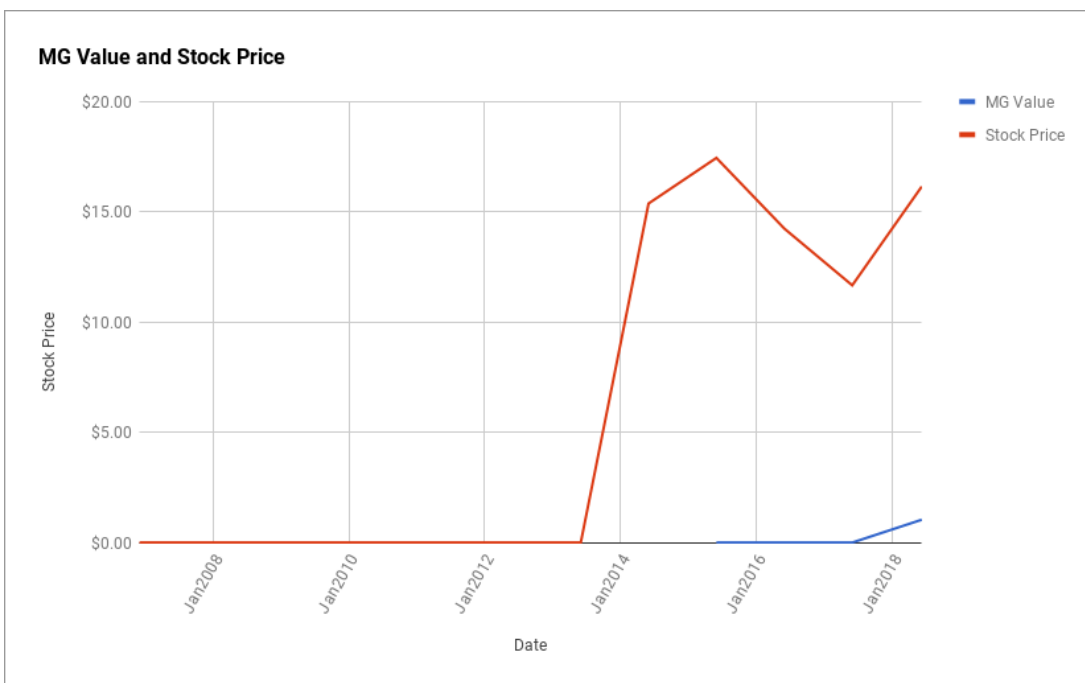
Net Current Asset Value (NCAV)	\$1.04
Graham Number	\$0.00
PEmg	-17.42
Current Ratio	1.62
PB Ratio	0.94
Current Dividend	\$0.20
Dividend Yield	1.24%
Number of Consecutive Years of Dividend Growth	2

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Jun2017	-\$1.92	Jun2017	-\$0.93
Jun2016	-\$1.27	Jun2016	-\$0.28
Jun2015	\$0.30	Jun2015	-\$0.01
Jun2014	-\$0.26	Jun2014	-\$0.20
Jun2013	\$0.41	Jun2013	-\$0.19
Jun2012	\$0.87	Jun2012	-\$0.43
Jun2011	-\$3.58	Jun2011	-\$0.88
Jun2010	\$1.17	Jun2010	\$0.39
Dec2009	\$0.00	Jun2009	\$0.00
Dec2008	\$0.00	Dec2009	\$0.00
Dec2007	\$0.00	Dec2008	\$0.00
Dec2006	\$0.00	Dec2007	\$0.00
Dec2005	\$0.00	Dec2006	\$0.00
Dec2004	\$0.00	Dec2005	\$0.00
Dec2003	\$0.00	Dec2004	\$0.00
Dec2002	\$0.00	Dec2003	\$0.00
Dec2001	\$0.00	Dec2002	\$0.00
Dec2000	\$0.00	Balance Sheet Information	
Dec1999	\$0.00	3/1/2018	
Dec1998	\$0.00	Total Current Assets	\$3,986,000,000
		Total Current Liabilities	\$2,467,000,000
		Long-Term Debt	\$184,000,000
		Total Assets	\$13,372,000,000
		Intangible Assets	\$5,950,000,000
		Total Liabilities	\$3,381,000,000
		Shares Outstanding (Diluted Average)	582,800,000





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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posts about the
company

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ModernGraham
posts about related
companies [CBS Corporation Valuation – April 2018 \\$CBS](#)
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[Time Warner Inc Valuation – March 2018 \\$TWX](#)
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