ModernGraham Valuation

Company Name:

AMC NETWORKS INC Common Stock



Company Ticker AMCX

Date of Analysis 7/28/2018

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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$3,404,390,873 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.64 Pass
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	
5. Earnings Growth	beginning and end	514.58% Pass
Moderate PEmg Ratio	PEmg < 20	9.89 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	13.96 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

 Sufficiently Strong Financial Condition 	Current Ratio > 1.5	2.64 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.64 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	Pass
	Score	

Score

Suitability

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.97
MG Growth Estimate	15.00%
MG Value	\$229.95
MG Value based on 3% Growth	\$86.60
MG Value based on 0% Growth	\$50.77
Market Implied Growth Rate	0.70%

MG Opinion

Current Price	\$59.08
% of Intrinsic Value	25.69%

Opinion Undervalued

MG Grade C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$48.00
Graham Number	\$18.93
PEmg	9.89
Current Ratio	2.64
PB Ratio	13.96
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend	0
Growth	0

Morningstar

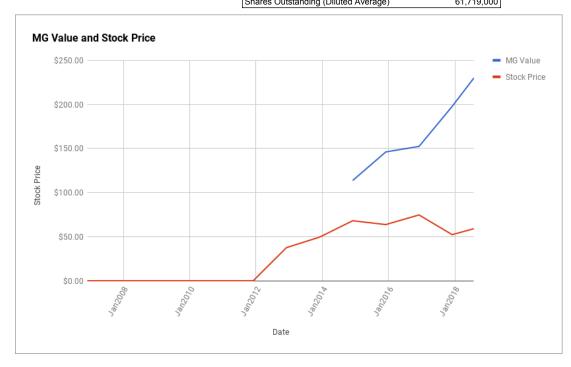
Useful Links: ModernGraham tagged articles

 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year	\$7. 04		25.07
Estimate	•	Next Fiscal Year Estimate	\$5.97
Dec2017	\$7.18	Dec2017	\$5.14
Dec2016	\$3.74	Dec2016	\$3.96
Dec2015	\$5.01	Dec2015	\$3.80
Dec2014	\$3.58	Dec2014	\$2.95
Dec2013	\$4.00	Dec2013	\$2.35
Dec2012	\$1.89	Dec2012	\$1.34
Dec2011	\$1.79	Dec2011	\$0.91
Dec2010	\$1.16	Dec2010	\$0.39
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information	3/1/2018
Dec2000	\$0.00	Total Current Assets	\$1,889,454,000
Dec1999	\$0.00	Total Current Liabilities	\$715,666,000
Dec1998	\$0.00	Long-Term Debt	\$3,101,138,000
	•	Total Assets	\$5,113,367,000
		Intangible Assets	\$2,439,638,000
		Total Liabilities	\$4,852,256,000
		Shares Outstanding (Diluted Average)	61,719,000





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 AMC Networks Inc Valuation – December 2016 \$AMCX

AMC Networks Inc. Analysis – Initial Coverage \$AMCX

Other ModernGraham posts about related companies Cineplex Inc Valuation – July 2018 \$TSE-CGX
Graham Holdings Co Valuation – July 2018 \$GHC
News Corp Valuation – June 2018 \$NWS
Netflix Inc Valuation – June 2018 \$NFLX
CBS Corporation Valuation – April 2018 \$CBS

Discovery Inc Valuation – April 2018 \$DISCA
Time Warner Inc Valuation – March 2018 \$TWX
Viacom Inc Valuation – March 2018 \$VIAB

Twenty-First Century Fox Inc Valuation – March 2018 \$FOXA

Walt Disney Co Valuation - February 2018 \$DIS