

ModernGraham Valuation

Consolidated
Communications
Holdings Inc



Company Name:

Company Ticker CNSL

Date of Analysis

8/4/2018

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	\$778,590,711	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.84	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-72.95%	Fail
5. Earnings Growth	PEmg < 20	66.16	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.41	Pass
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	0.84	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-51.80	Fail
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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.16
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$2.38
MG Value based on 0% Growth	\$1.39
Market Implied Growth Rate	28.83%

MG Opinion

Current Price	\$10.85
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$41.59
Graham Number	\$0.00
PEmg	66.16
Current Ratio	0.84
PB Ratio	1.41
Current Dividend	\$1.55
Dividend Yield	14.29%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$0.60	Next Fiscal Year Estimate	\$0.16
Dec2017	\$1.07	Dec2017	\$0.53
Dec2016	\$0.29	Dec2016	\$0.27
Dec2015	-\$0.02	Dec2015	\$0.32
Dec2014	\$0.35	Dec2014	\$0.54
Dec2013	\$0.76	Dec2013	\$0.67
Dec2012	\$0.15	Dec2012	\$0.64
Dec2011	\$0.88	Dec2011	\$0.84
Dec2010	\$1.09	Dec2010	\$0.76
Dec2009	\$0.84	Dec2009	\$0.49
Dec2008	\$0.42	Dec2008	\$0.12
Dec2007	\$0.44	Dec2007	-\$0.15
Dec2006	\$0.47	Dec2006	-\$0.47
Dec2005	-\$0.83	Dec2005	-\$0.82
Dec2004	-\$1.79	Dec2004	-\$0.68
Dec2003	-\$0.33	Dec2003	-\$0.11
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information 3/1/2018	
Dec2000	\$0.00	Total Current Assets	\$228,853,000
Dec1999	\$0.00	Total Current Liabilities	\$273,591,000
Dec1998	\$0.00	Long-Term Debt	\$2,317,398,000
		Total Assets	\$3,708,864,000
		Intangible Assets	\$1,325,472,000
		Total Liabilities	\$3,164,761,000
		Shares Outstanding (Diluted Average)	70,598,000





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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