

# ModernGraham Valuation

## Company Name:

Company Ticker CPS  
Date of Analysis

ChoicePoint Inc.  
Common Stock

8/9/2018



## 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	\$2,340,159,355	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.78	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	545.80%	Pass
5. Earnings Growth	PEmg < 20	17.15	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.82	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	1.78	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.19	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$7.96
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$306.46</b>
MG Value based on 3% Growth	\$115.42
MG Value based on 0% Growth	\$67.66
Market Implied Growth Rate	4.33%

### MG Opinion

Current Price	\$136.54
% of Intrinsic Value	44.55%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C-</b>

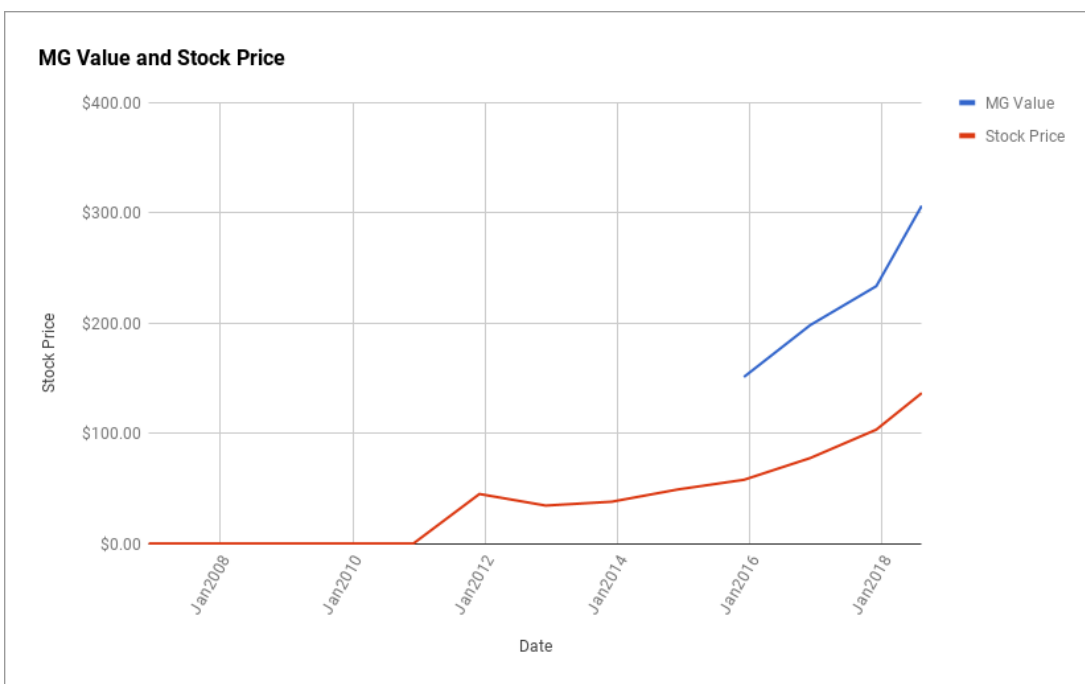
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$23.06
Graham Number	\$105.65
PEmg	17.15
Current Ratio	1.78
PB Ratio	2.82
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

[ModernGraham tagged articles](#)  
[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)  
[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$10.75	Next Fiscal Year Estimate	\$7.96
Dec2017	\$7.21	Dec2017	\$6.07
Dec2016	\$7.42	Dec2016	\$5.15
Dec2015	\$6.08	Dec2015	\$3.93
Dec2014	\$2.39	Dec2014	\$2.75
Dec2013	\$2.24	Dec2013	\$2.64
Dec2012	\$4.14	Dec2012	\$2.43
Dec2011	\$3.93	Dec2011	\$1.31
Dec2010	\$0.00	Dec2010	\$0.00
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	<b>Balance Sheet Information 6/1/2018</b>	
Dec2000	\$0.00	Total Current Assets	\$1,388,544,000
Dec1999	\$0.00	Total Current Liabilities	\$781,261,000
Dec1998	\$0.00	Long-Term Debt	\$723,002,000
		Total Assets	\$2,700,283,000
		Intangible Assets	\$231,915,000
		Total Liabilities	\$1,812,164,000
		Shares Outstanding (Diluted Average)	18,372,000





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

[Cooper-Standard Holdings Inc Valuation – Initial Coverage \\$CPS](#)

Other  
ModernGraham  
posts about related  
companies

[Standard Motor Products Inc Valuation – August 2018 \\$SMP](#)

[Harley-Davidson Inc Valuation – June 2018 \\$HOG](#)

[Advance Auto Parts Inc Valuation – June 2018 \\$AAP](#)

[LKQ Corporation – June 2018 \\$LKQ](#)

[Aptiv PLC Valuation – Initial Coverage May 2018 \\$APTIV](#)

[BorgWarner Inc Valuation – April 2018 \\$BWA](#)

[CarMax Inc Valuation – April 2018 \\$KMX](#)

[Ford Motor Company Valuation – April 2018 \\$F](#)

[General Motors Co Valuation – April 2018 \\$GM](#)

[O'Reilly Automotive Inc Valuation – April 2018 \\$ORLY](#)