

ModernGraham Valuation

Company Name:

Company Ticker FTR
Date of Analysis

Frontier
Communications Corp

8/26/2018



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	\$601,000.782	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.47	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		
5. Earnings Growth		-422.72%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-0.57	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.18	Fail

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	0.47	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-9.96	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 Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$9.97
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$144.62
MG Value based on 0% Growth	-\$84.78
Market Implied Growth Rate	-4.53%

MG Opinion

Current Price	\$5.68
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$267.87
Graham Number	\$0.00
PEmg	-0.57
Current Ratio	0.47
PB Ratio	0.18
Current Dividend	\$3.38
Dividend Yield	59.42%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	-3.19	Next Fiscal Year Estimate	-9.97
Dec2017	-25.99	Dec2017	-11.20
Dec2016	-7.61	Dec2016	-2.97
Dec2015	-4.41	Dec2015	-0.21
Dec2014	1.95	Dec2014	2.01
Dec2013	1.65	Dec2013	2.36
Dec2012	1.95	Dec2012	3.27
Dec2011	2.25	Dec2011	4.60
Dec2010	3.45	Dec2010	6.74
Dec2009	5.70	Dec2009	8.85
Dec2008	8.55	Dec2008	10.06
Dec2007	9.75	Dec2007	10.39
Dec2006	15.90	Dec2006	7.24
Dec2005	9.00	Dec2005	0.60
Dec2004	3.45	Dec2004	-4.45
Dec2003	9.60	Dec2003	-7.33
Dec2002	-36.45	Dec2002	-12.68
Dec2001	-5.70	Balance Sheet Information 6/1/2018	
Dec2000	-1.65	Total Current Assets	\$1,428,000,000
Dec1999	8.25	Total Current Liabilities	\$3,056,000,000
Dec1998	3.30	Long-Term Debt	\$16,209,000,000
		Total Assets	\$24,730,000,000
		Intangible Assets	\$8,784,000,000
		Total Liabilities	\$22,329,000,000
		Shares Outstanding (Diluted Average)	78,026,000





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

- [Most Overvalued Stocks of the S&P 500 – March 2017](#)
- [Frontier Communications Corp Valuation – February 2017 \\$FTR](#)
- [Frontier Communications Corp Valuation – November 2015 Update \\$FTR](#)
- [Frontier Communications Corp Annual Valuation – 2014 \\$FTR](#)

Other ModernGraham posts about related companies

- [Consolidated Communications Holdings Inc Valuation – August 2018 \\$CNSL](#)
- [Comtech Telecommunications Corp Valuation – August 2018 \\$CMTL](#)
- [Shaw Communications Inc Valuation – July 2018 \\$TSE:SJR.B](#)
- [ARRIS International PLC Valuation – July 2018 \\$ARRS](#)
- [Iridium Communications Inc Valuation – July 2018 \\$IRDM](#)
- [CenturyLink Inc Valuation – June 2018 \\$CTL](#)
- [American Tower Corp Valuation – June 2018 \\$AMT](#)
- [Charter Communications Inc Valuation – May 2018 \\$CHTR](#)
- [DISH Network Corp Valuation – Initial Coverage \\$DISH](#)
- [AT&T Inc Valuation – April 2018 \\$T](#)