

# ModernGraham Valuation

Company Name:

AT&T Inc.

Company Ticker T

Date of Analysis

1/30/2019



## 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	\$213,063,447,223	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.81	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	61.55%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	9.56	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.16	Pass

*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	0.81	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-13.69	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.06
MG Growth Estimate	9.37%
<b>MG Value</b>	<b>\$83.46</b>
MG Value based on 3% Growth	\$44.44
MG Value based on 0% Growth	\$26.05
Market Implied Growth Rate	0.53%

### MG Opinion

Current Price	\$29.29
% of Intrinsic Value	35.10%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>A</b>

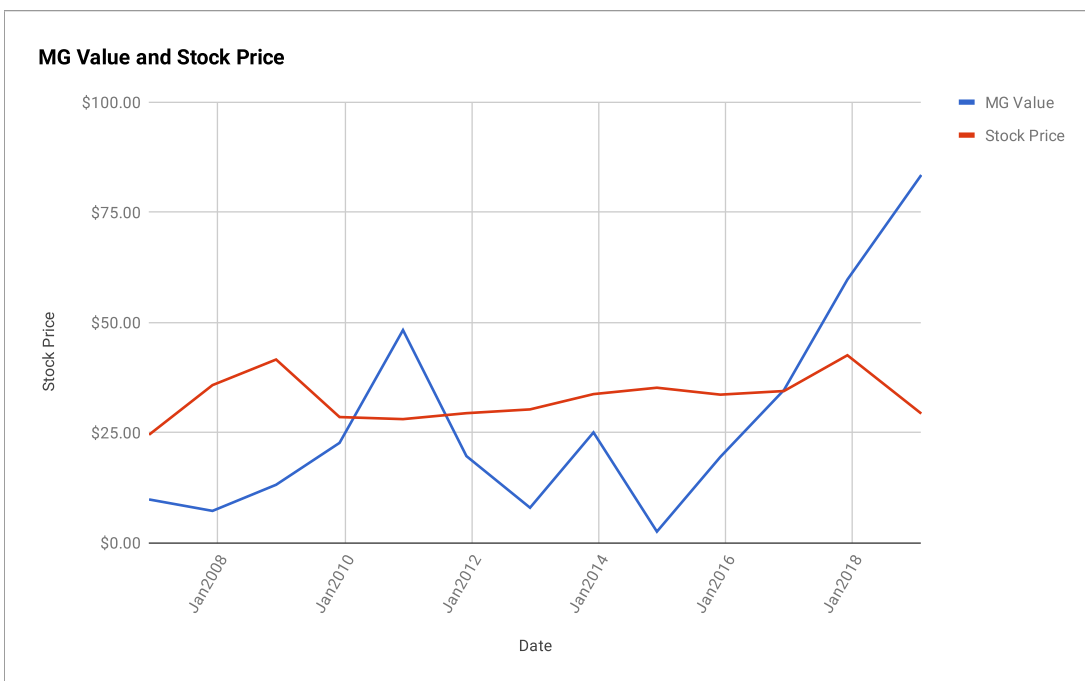
## Stage 3: Information for Further Research

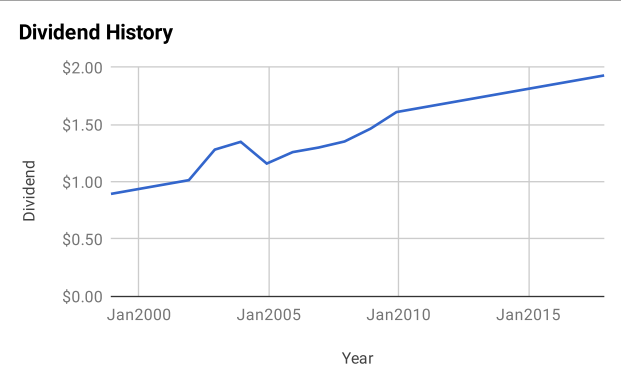
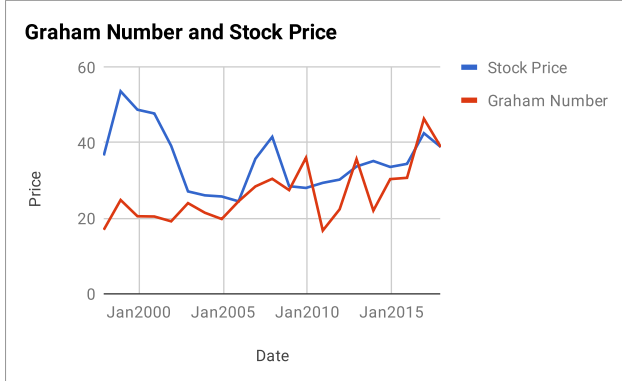
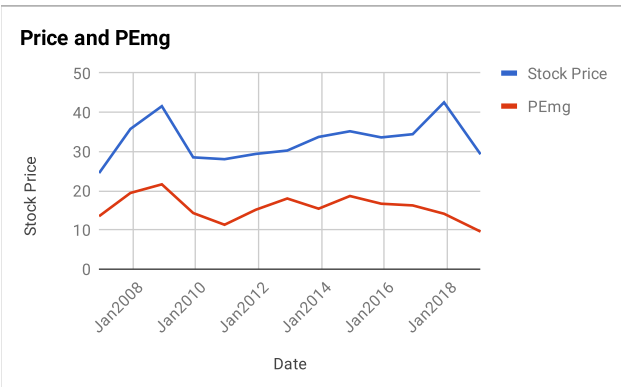
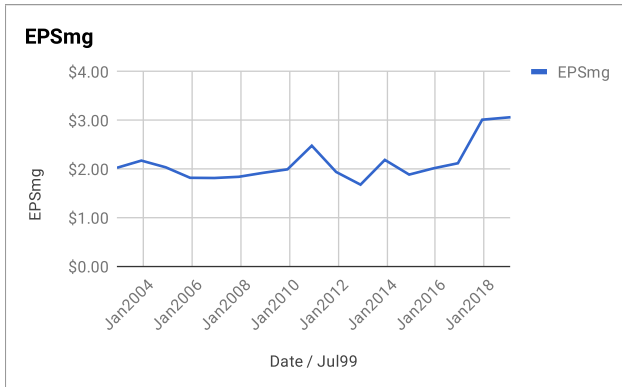
Net Current Asset Value (NCAV)	-\$40.55
Graham Number	\$38.89
PEmg	9.56
Current Ratio	0.81
PB Ratio	1.16
Current Dividend	\$1.97
Dividend Yield	6.73%
Number of Consecutive Years of Dividend Growth	14

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.93	Next Fiscal Year Estimate	\$3.06
Dec2017	\$4.76	Dec2017	\$3.01
Dec2016	\$2.10	Dec2016	\$2.12
Dec2015	\$2.37	Dec2015	\$2.02
Dec2014	\$1.24	Dec2014	\$1.89
Dec2013	\$3.42	Dec2013	\$2.19
Dec2012	\$1.25	Dec2012	\$1.68
Dec2011	\$0.66	Dec2011	\$1.94
Dec2010	\$3.35	Dec2010	\$2.48
Dec2009	\$2.05	Dec2009	\$1.99
Dec2008	\$2.16	Dec2008	\$1.92
Dec2007	\$1.94	Dec2007	\$1.84
Dec2006	\$1.89	Dec2006	\$1.82
Dec2005	\$1.42	Dec2005	\$1.82
Dec2004	\$1.77	Dec2004	\$2.04
Dec2003	\$2.56	Dec2003	\$2.17
Dec2002	\$1.69	Dec2002	\$2.03
Dec2001	\$2.07	<b>Balance Sheet Information 9/1/2018</b>	
Dec2000	\$2.24	Total Current Assets	\$53,107,000,000
Dec1999	\$2.36	Total Current Liabilities	\$65,420,000,000
Dec1998	\$2.23	Long-Term Debt	\$168,513,000,000
		Total Assets	\$534,870,000,000
		Intangible Assets	\$312,576,000,000
		Total Liabilities	\$349,899,000,000
		Shares Outstanding (Diluted Average)	7,320,000,000





**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**
- [10 Low PE Stock Picks for the Defensive Investor – August 2018](#)
  - [5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – August 2018](#)
  - [10 Undervalued Companies for the Defensive Dividend Stock Investor – July 2018](#)
  - [Best Stocks Below Their Graham Number – June 2018](#)
  - [10 Low PE Stock Picks for the Defensive Investor – June 2018](#)

- Other ModernGraham posts about related companies**
- [Juniper Networks Inc Valuation – January 2019 \\$JNPR](#)
  - [SBA Communications Corp Valuation – January 2019 \\$SBAC](#)
  - [Harris Corp Valuation – December 2018 \\$HRS](#)
  - [Verizon Communications Inc Valuation – November 2018 \\$VZ](#)
  - [Lumentum Holdings Inc Valuation – October 2018 \\$LITE](#)
  - [Windstream Holdings Inc Valuation – September 2018 \\$WIN](#)
  - [Sierra Wireless Inc Valuation – September 2018 \\$TSE:SW](#)
  - [Frontier Communications Corp Valuation – August 2018 \\$FTR](#)
  - [Consolidated Communications Holdings Inc Valuation – August 2018 \\$CNLS](#)
  - [Comtech Telecommunications Corp Valuation – August 2018 \\$CMTL](#)