

# ModernGraham Valuation

Company Name:

Viacom, Inc. Class B

Company Ticker VIAB

Date of Analysis

1/9/2019



## 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	\$11,636,179,217	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.50	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	31.12%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	6.86	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.57	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	1.50	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.71	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		Fail
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.23
MG Growth Estimate	-1.57%
<b>MG Value</b>	<b>\$22.62</b>
MG Value based on 3% Growth	\$61.31
MG Value based on 0% Growth	\$35.94
Market Implied Growth Rate	-0.82%

### MG Opinion

Current Price	\$28.99
% of Intrinsic Value	128.16%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$25.40
Graham Number	\$41.02
PEmg	6.86
Current Ratio	1.50
PB Ratio	1.57
Current Dividend	\$0.80
Dividend Yield	2.76%
Number of Consecutive Years of Dividend Growth	0

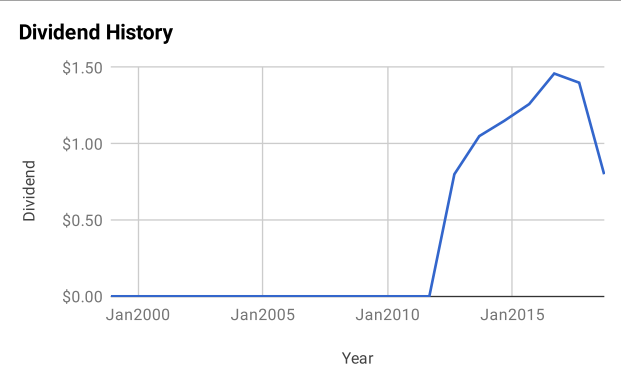
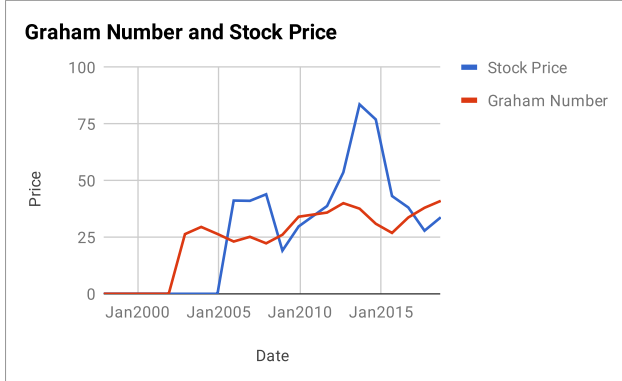
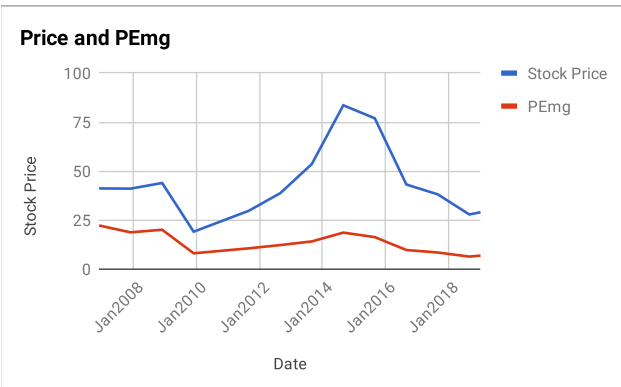
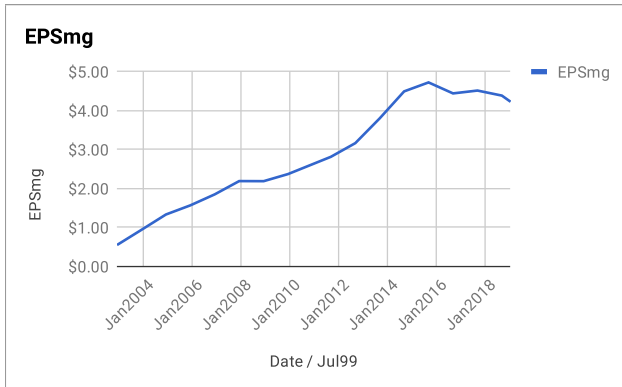
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.07	Next Fiscal Year Estimate	\$4.23
Sep2018	\$4.27	Sep2018	\$4.39
Sep2017	\$4.68	Sep2017	\$4.52
Sep2016	\$3.61	Sep2016	\$4.44
Sep2015	\$4.73	Sep2015	\$4.72
Sep2014	\$5.43	Sep2014	\$4.49
Sep2013	\$4.84	Sep2013	\$3.80
Sep2012	\$3.69	Sep2012	\$3.17
Sep2011	\$3.59	Sep2011	\$2.81
Dec2009	\$2.65	Dec2009	\$2.37
Dec2008	\$2.00	Dec2008	\$2.19
Dec2007	\$2.72	Dec2007	\$2.19
Dec2006	\$2.22	Dec2006	\$1.85
Dec2005	\$1.73	Dec2005	\$1.57
Dec2004	\$1.84	Dec2004	\$1.33
Dec2003	\$1.52	Dec2003	\$0.94
Dec2002	\$1.19	Dec2002	\$0.55
Dec2001	\$0.58	<b>Balance Sheet Information</b>	<b>9/1/2018</b>
Dec2000	\$0.00	Total Current Assets	\$6,076,000,000
Dec1999	\$0.00	Total Current Liabilities	\$4,054,000,000
Dec1998	\$0.00	Long-Term Debt	\$9,515,000,000
		Total Assets	\$23,783,000,000
		Intangible Assets	\$11,922,000,000
		Total Liabilities	\$16,318,000,000
		Shares Outstanding (Diluted Average)	403,300,000





**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**

- [Viacom Inc Valuation – March 2018 \\$VIAB](#)
- [Viacom Inc Valuation – June 2016 \\$VIAB](#)
- [Viacom Inc. Annual Valuation – 2015 \\$VIAB](#)
- [5 Undervalued Companies for the Enterprising Investor Near 52 Week Lows – November 2014](#)
- [5 Undervalued Companies for the Enterprising Investor Near 52 Week Lows – October 2014](#)

**Other ModernGraham posts about related companies**

- [Twenty-First Century Fox Inc Valuation – January 2019 \\$FOX](#)
- [Walt Disney Co Valuation – November 2018 \\$DIS](#)
- [Tegna Inc Valuation – August 2018 \\$TGNA](#)
- [E.W. Scripps Co Valuation – August 2018 \\$SSP](#)
- [Cinemark Holdings Inc Valuation – August 2018 \\$CNK](#)
- [Corus Entertainment Inc Valuation – July 2018 \\$TSE:CJR.B](#)
- [AMC Networks Inc Valuation – July 2018 \\$AMCX](#)
- [International Speedway Corp Valuation – July 2018 \\$ISCA](#)
- [Cineplex Inc Valuation – July 2018 \\$TSE-CGX](#)
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