

ModernGraham Valuation

Company Name:

Company Ticker CBS

Date of Analysis

2/14/2019

CBS Corporation
Common Stock



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	\$18,347,191,065	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.51	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	168.39%	Pass
5. Earnings Growth	PEmg < 20	15.10	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	7.39	Fail
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	1.51	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.62	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		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.25
MG Growth Estimate	-0.52%
MG Value	\$24.24
MG Value based on 3% Growth	\$47.08
MG Value based on 0% Growth	\$27.60
Market Implied Growth Rate	3.30%

MG Opinion

Current Price	\$49.02
% of Intrinsic Value	202.26%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$33.02
Graham Number	\$24.44
PEmg	15.10
Current Ratio	1.51
PB Ratio	7.39
Current Dividend	\$0.72
Dividend Yield	1.47%
Number of Consecutive Years of Dividend Growth	7

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.14	Next Fiscal Year Estimate	\$3.25
Dec2017	\$0.88	Dec2017	\$2.52
Dec2016	\$2.81	Dec2016	\$3.32
Dec2015	\$2.89	Dec2015	\$3.42
Dec2014	\$5.27	Dec2014	\$3.36
Dec2013	\$3.01	Dec2013	\$2.19
Dec2012	\$2.39	Dec2012	\$0.40
Dec2011	\$1.92	Dec2011	-\$1.23
Dec2010	\$1.04	Dec2010	-\$2.68
Dec2009	\$0.33	Dec2009	-\$4.50
Dec2008	-\$17.43	Dec2008	-\$7.47
Dec2007	\$1.73	Dec2007	-\$3.25
Dec2006	\$2.15	Dec2006	-\$5.48
Dec2005	-\$8.98	Dec2005	-\$8.01
Dec2004	-\$20.37	Dec2004	-\$6.32
Dec2003	\$1.61	Dec2003	\$0.58
Dec2002	\$0.82	Dec2002	\$0.03
Dec2001	-\$0.26	Balance Sheet Information 9/1/2018	
Dec2000	-\$1.34	Total Current Assets	\$6,040,000,000
Dec1999	\$0.90	Total Current Liabilities	\$3,993,000,000
Dec1998	-\$0.42	Long-Term Debt	\$9,465,000,000
		Total Assets	\$21,068,000,000
		Intangible Assets	\$7,571,000,000
		Total Liabilities	\$18,554,000,000
		Shares Outstanding (Diluted Average)	379,000,000





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.

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