

ModernGraham Valuation



Charter
Communications Inc

Company Name:

Company Ticker CHTR

Date of Analysis

2/22/2019

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	\$78,923,408,111	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.23	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		
5. Earnings Growth		-562.00%	Fail
6. Moderate PEmg Ratio	PEmg < 20	30.26	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.82	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	0.23	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-7.43	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$11.58
MG Growth Estimate	15.00%
MG Value	\$445.83
MG Value based on 3% Growth	\$167.91
MG Value based on 0% Growth	\$98.43
Market Implied Growth Rate	10.88%

MG Opinion

Current Price	\$350.44
% of Intrinsic Value	78.60%
Opinion	Fairly Valued
MG Grade	D+

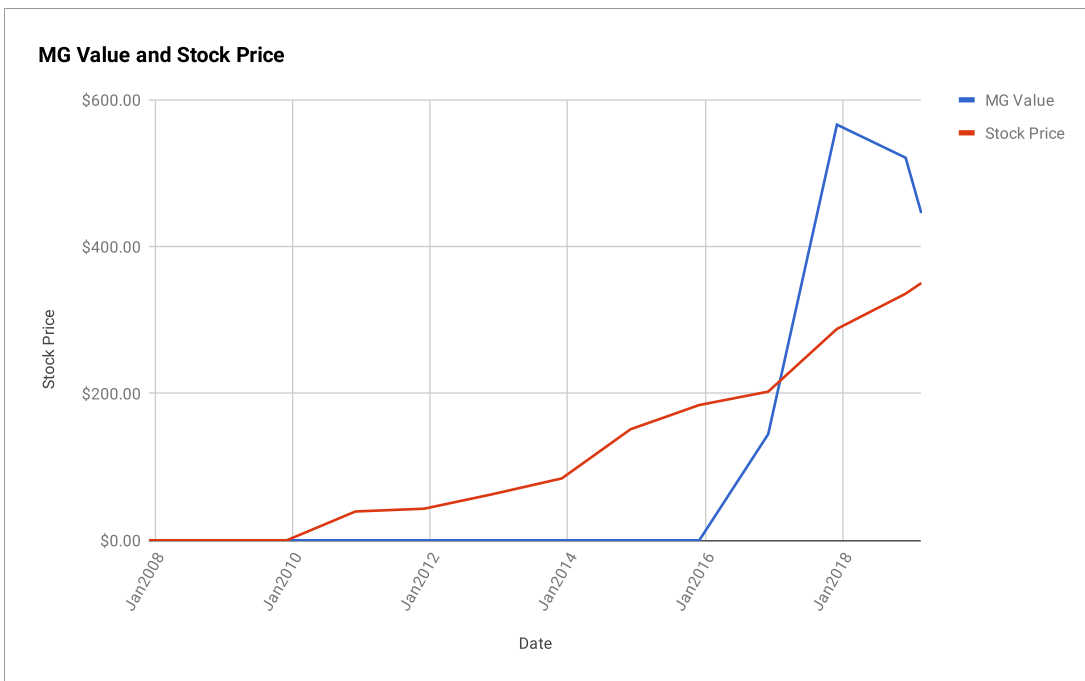
Stage 3: Information for Further Research

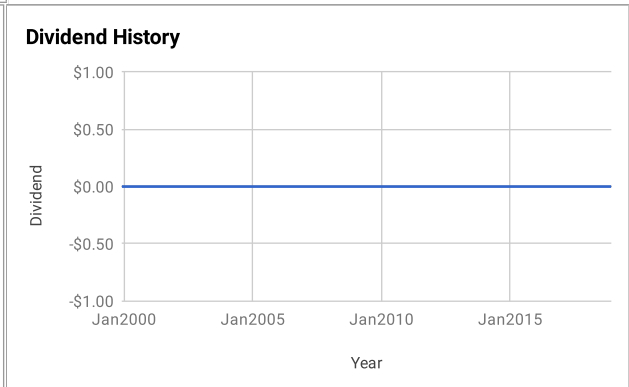
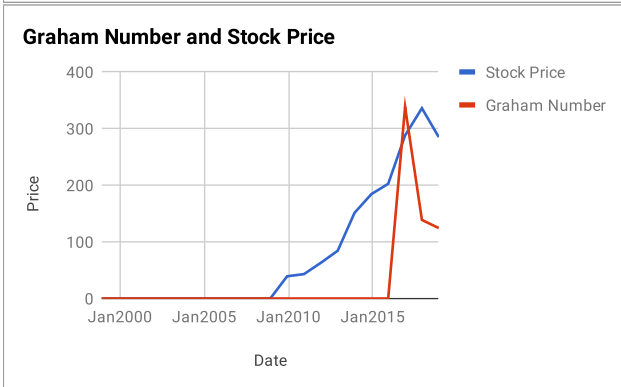
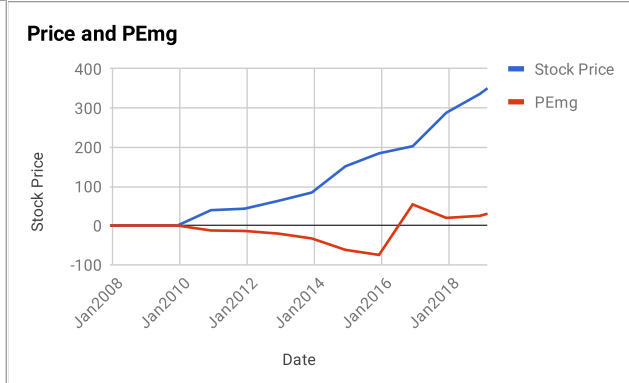
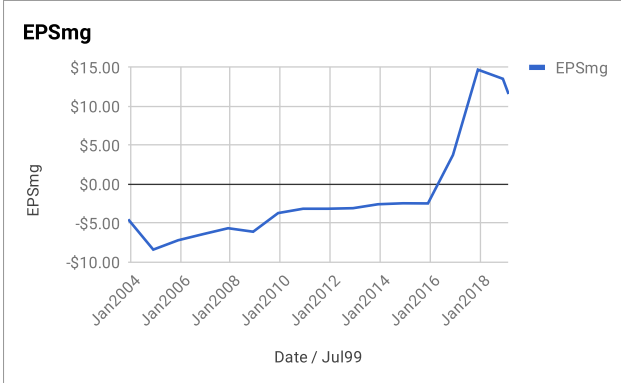
Net Current Asset Value (NCAV)	-\$430.86
Graham Number	\$124.38
PEmg	30.26
Current Ratio	0.23
PB Ratio	1.82
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$4.27	Next Fiscal Year Estimate	\$11.58
Dec2018	\$5.22	Dec2018	\$13.54
Dec2017	\$34.09	Dec2017	\$14.71
Dec2016	\$15.94	Dec2016	\$3.75
Dec2015	-\$2.68	Dec2015	-\$2.46
Dec2014	-\$1.88	Dec2014	-\$2.44
Dec2013	-\$1.83	Dec2013	-\$2.57
Dec2012	-\$3.37	Dec2012	-\$3.07
Dec2011	-\$3.75	Dec2011	-\$3.14
Dec2010	-\$2.31	Dec2010	-\$3.14
Dec2009	\$0.00	Dec2009	-\$3.70
Dec2008	-\$7.26	Dec2008	-\$6.09
Dec2007	-\$4.61	Dec2007	-\$5.64
Dec2006	-\$4.57	Dec2006	-\$6.40
Dec2005	-\$3.46	Dec2005	-\$7.18
Dec2004	-\$16.00	Dec2004	-\$8.39
Dec2003	-\$0.91	Dec2003	-\$4.51
Dec2002	-\$9.46	Balance Sheet Information 12/1/2018	
Dec2001	-\$4.79	Total Current Assets	\$2,730,000,000
Dec2000	-\$4.20	Total Current Liabilities	\$12,095,000,000
Dec1999	-\$2.46	Long-Term Debt	\$69,537,000,000
		Total Assets	\$146,130,000,000
		Intangible Assets	\$106,914,000,000
		Total Liabilities	\$101,858,000,000
		Shares Outstanding (Diluted Average)	230,069,000





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 [Charter Communications Inc Valuation – May 2018 \\$CHTR](#)
[Charter Communications Inc Valuation – Initial Coverage \\$CHTR](#)

Other ModernGraham posts about related companies [DISH Network Corp Valuation – February 2019 \\$DISH](#)
[AT&T Inc Valuation – January 2019 \\$T](#)
[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](#)