

ModernGraham Valuation

Company Name:

CSX Corporation

Company Ticker CSX

Date of Analysis

2/9/2019



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	\$56,074,562,500	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.34	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	187.19%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	17.39	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.61	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	1.34	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	22.68	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.95
MG Growth Estimate	15.00%
MG Value	\$152.20
MG Value based on 3% Growth	\$57.32
MG Value based on 0% Growth	\$33.60
Market Implied Growth Rate	4.45%

MG Opinion

Current Price	\$68.75
% of Intrinsic Value	45.17%
Opinion	Undervalued
MG Grade	C-

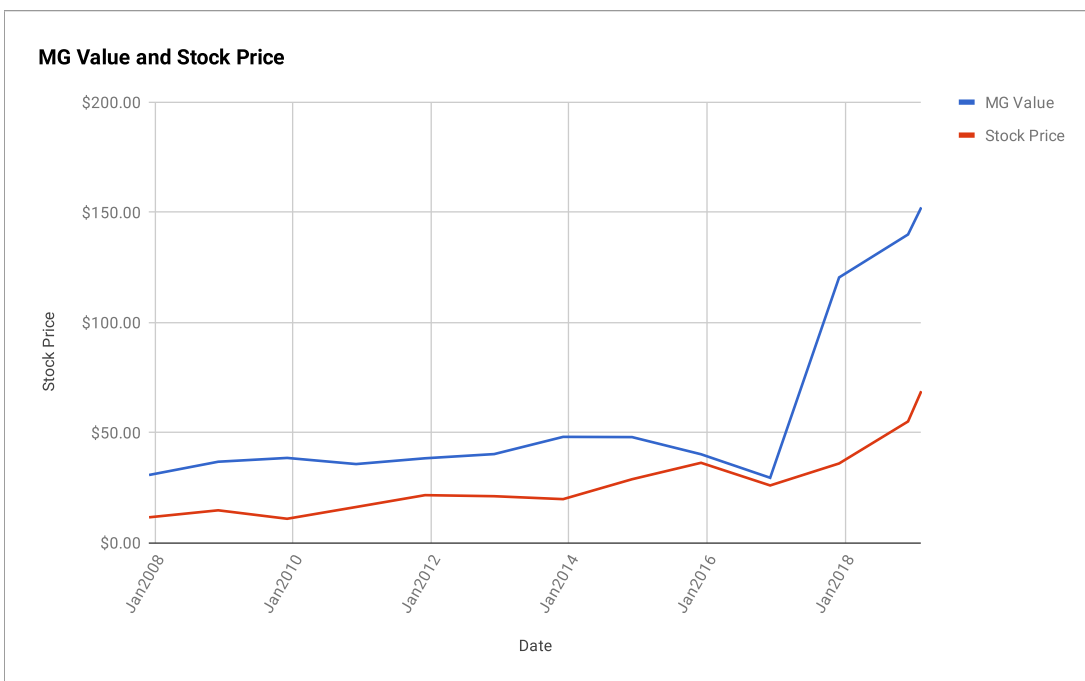
Stage 3: Information for Further Research

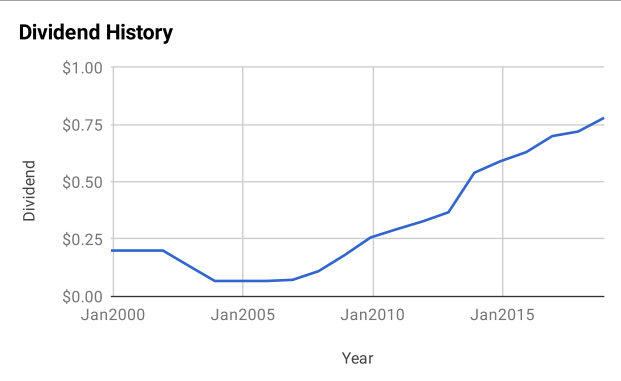
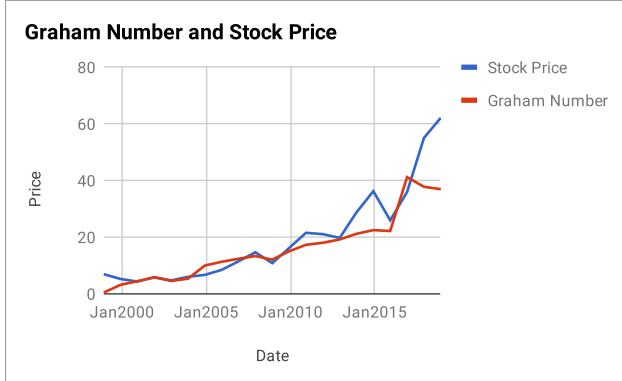
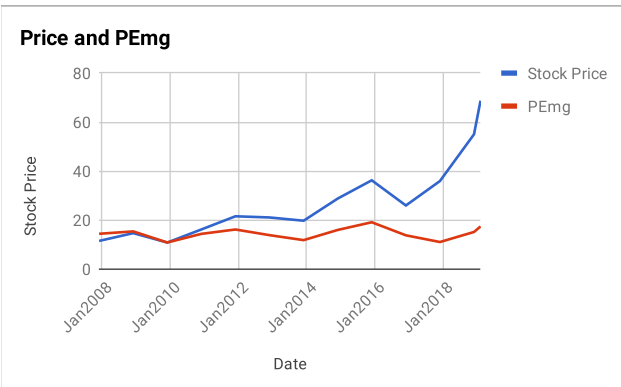
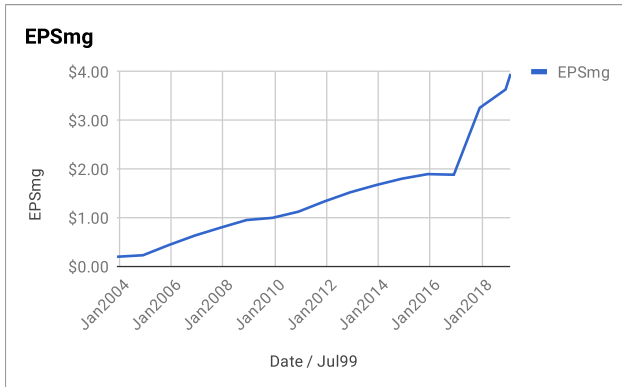
Net Current Asset Value (NCAV)	-\$25.56
Graham Number	\$36.94
PEmg	17.39
Current Ratio	1.34
PB Ratio	4.61
Current Dividend	\$0.88
Dividend Yield	1.28%
Number of Consecutive Years of Dividend Growth	14

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	\$4.07	Next Fiscal Year Estimate	\$3.95
Dec2018	\$3.84	Dec2018	\$3.63
Dec2017	\$5.99	Dec2017	\$3.26
Dec2016	\$1.81	Dec2016	\$1.88
Dec2015	\$2.00	Dec2015	\$1.90
Dec2014	\$1.92	Dec2014	\$1.80
Dec2013	\$1.83	Dec2013	\$1.67
Dec2012	\$1.79	Dec2012	\$1.52
Dec2011	\$1.70	Dec2011	\$1.33
Dec2010	\$1.35	Dec2010	\$1.13
Dec2009	\$0.96	Dec2009	\$1.00
Dec2008	\$1.11	Dec2008	\$0.95
Dec2007	\$1.00	Dec2007	\$0.80
Dec2006	\$0.94	Dec2006	\$0.63
Dec2005	\$0.84	Dec2005	\$0.44
Dec2004	\$0.25	Dec2004	\$0.23
Dec2003	\$0.19	Dec2003	\$0.20
Dec2002	\$0.32	Balance Sheet Information 12/1/2018	
Dec2001	\$0.19	Total Current Assets	\$2,565,000,000
Dec2000	\$0.10	Total Current Liabilities	\$1,915,000,000
Dec1999	\$0.00	Long-Term Debt	\$14,739,000,000
		Total Assets	\$36,729,000,000
		Intangible Assets	\$0
		Total Liabilities	\$24,149,000,000
		Shares Outstanding (Diluted Average)	844,420,000





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**
- [CSX Corporation Valuation – April 2018 \\$CSX](#)
 - [14 Best Undervalued Stocks of the Week – 8/6/16](#)
 - [CSX Corporation Valuation – August 2016 \\$CSX](#)
 - [26 Best Stocks For Value Investors This Week – 2/6/16](#)
 - [CSX Corporation Valuation – February 2016 Update \\$CSX](#)

- Other ModernGraham posts about related companies**
- [Canadian Pacific Railway Ltd Valuation – August 2018 \\$TSE-CP](#)
 - [Canadian National Railway Co Valuation – August 2018 \\$TSE:CNR](#)
 - [Kansas City Southern Valuation – May 2018 \\$KSU](#)
 - [Norfolk Southern Corp Valuation – April 2018-corrected](#)
 - [Norfolk Southern Corp Valuation – April 2018 \\$NSC](#)
 - [CSX Corporation Valuation – April 2018 \\$CSX](#)
 - [Union Pacific Corp Valuation – April 2018 \\$UNP](#)
 - [Canadian Pacific Railway Ltd Valuation – Initial Coverage \\$TSE:CP](#)
 - [Canadian National Railway Co Valuation – Initial Valuation \\$TSE:CNR](#)
 - [Kansas City Southern Valuation – December 2016 \\$KSU](#)