

ModernGraham Valuation

Company Name:

CBRE Group Inc

Company Ticker CBRE

Date of Analysis

3/13/2019



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	\$16,848,841,335	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.16	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	270.51%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	18.28	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.43	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	1.16	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.86	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
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	\$2.74
MG Growth Estimate	15.00%
MG Value	\$105.64
MG Value based on 3% Growth	\$39.79
MG Value based on 0% Growth	\$23.32
Market Implied Growth Rate	4.89%

MG Opinion

Current Price	\$50.16
% of Intrinsic Value	47.48%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

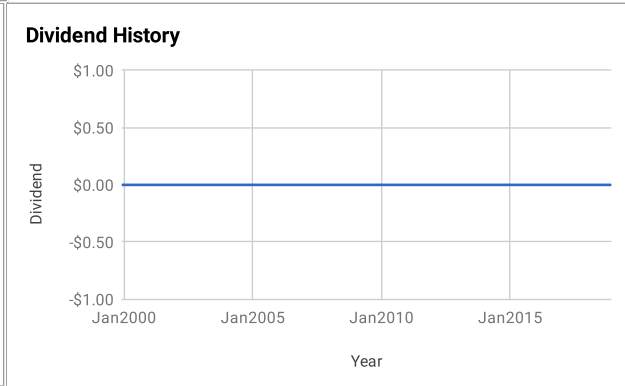
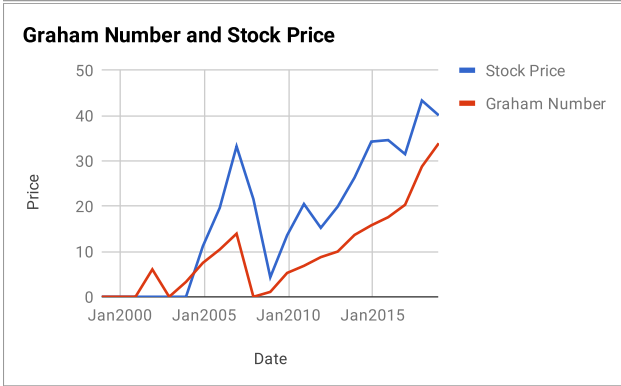
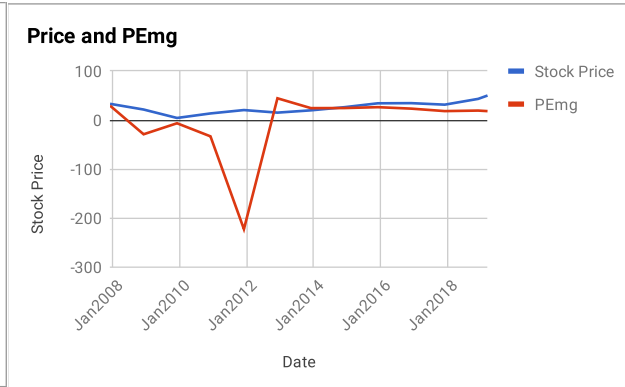
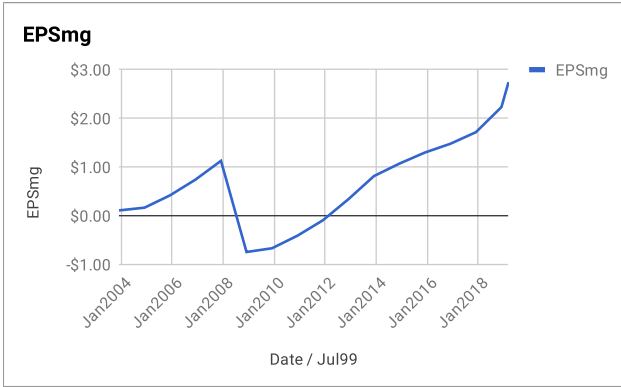
Net Current Asset Value (NCAV)	-\$4.94
Graham Number	\$33.87
PEmg	18.28
Current Ratio	1.16
PB Ratio	3.43
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$3.52	Next Fiscal Year Estimate	\$2.74
Dec2018	\$3.10	Dec2018	\$2.23
Dec2017	\$2.05	Dec2017	\$1.72
Dec2016	\$1.69	Dec2016	\$1.48
Dec2015	\$1.63	Dec2015	\$1.30
Dec2014	\$1.45	Dec2014	\$1.07
Dec2013	\$0.95	Dec2013	\$0.82
Dec2012	\$0.97	Dec2012	\$0.34
Dec2011	\$0.74	Dec2011	-\$0.09
Dec2010	\$0.63	Dec2010	-\$0.41
Dec2009	\$0.12	Dec2009	-\$0.67
Dec2008	-\$4.81	Dec2008	-\$0.74
Dec2007	\$1.66	Dec2007	\$1.13
Dec2006	\$1.35	Dec2006	\$0.74
Dec2005	\$0.95	Dec2005	\$0.42
Dec2004	\$0.30	Dec2004	\$0.17
Dec2003	-\$0.23	Dec2003	\$0.11
Dec2002	\$0.15	Balance Sheet Information 12/1/2018	
Dec2001	\$0.73	Total Current Assets	\$6,754,210,000
Dec2000	\$0.00	Total Current Liabilities	\$5,803,380,000
Dec1999	\$0.00	Long-Term Debt	\$1,767,260,000
		Total Assets	\$13,456,793,000
		Intangible Assets	\$5,093,617,000
		Total Liabilities	\$8,446,891,000
		Shares Outstanding (Diluted Average)	342,689,000





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 [CBRE Group Inc Valuation – June 2018 \\$CBRE](#)

Other ModernGraham posts about related companies [Franklin Resources Inc Valuation – March 2019 #BEN](#)
[S&P Global Inc Valuation – March 2019 #SPGI](#)
[Equifax Inc Valuation – March 2019 #EFX](#)
[CME Group Inc Valuation – March 2019 #CME](#)
[Northern Trust Corp Valuation – March 2019 #NTRS](#)
[Affiliated Managers Group Inc Valuation – February 2019 \\$AMG](#)
[Bank of New York Mellon Corp Valuation – February 2019 \\$BK](#)
[Western Union Co Valuation – February 2019 \\$WU](#)
[Raymond James Financial Valuation – February 2019 \\$RJF](#)
[Nasdaq Inc Valuation – February 2019 \\$NDAQ](#)