

ModernGraham Valuation

Company Name:

Company Ticker APOL

Date of Analysis

8/22/2015

Apollo Education
Group Inc



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	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	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	Fail
5. Earnings Growth		Fail
6. Moderate PEmg Ratio	PEmg < 20	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	Pass
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	Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	1.86
MG Growth Estimate	-4.25%
MG Value	\$1.92
MG Value based on 3% Growth	\$27.02
MG Value based on 0% Growth	\$15.84
Market Implied Growth Rate	-1.30%

MG Opinion

Current Price	\$10.98
% of Intrinsic Value	571.39%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$1.92
PEmg	5.89
Current Ratio	1.65
PB Ratio	1.01
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	\$0.60	Next Fiscal Year Estimate	\$1.86
Aug14	\$1.86	Aug14	\$2.67
Aug13	\$2.19	Aug13	\$3.19
Aug12	\$3.45	Aug12	\$3.64
Aug11	\$4.04	Aug11	\$3.60
Aug10	\$3.62	Aug10	\$3.25
Aug09	\$3.75	Aug09	\$2.95
Aug08	\$2.87	Aug08	\$2.41
Aug07	\$2.35	Aug07	\$2.06
Aug06	\$2.35	Aug06	\$1.78
Aug05	\$2.30	Aug05	\$1.38
Aug04	\$0.77	Aug04	\$0.87
Aug03	\$1.27	Aug03	\$0.84
Aug02	\$0.84	Aug02	\$0.58
Aug01	\$0.57	Aug01	\$0.41
Aug00	\$0.41	Aug00	\$0.31
Aug99	\$0.33	Aug99	\$0.24
Aug98	\$0.26	Balance Sheet Information May15	
Aug97	\$0.19	Total Current Assets	\$1,381,473,000
Aug96	\$0.13	Total Current Liabilities	\$838,161,000
Aug95	\$0.05	Long-Term Debt	\$40,383,000
		Total Assets	\$2,351,441,000
		Intangible Assets	\$404,873,000
		Total Liabilities	\$1,172,739,000
		Shares Outstanding (Diluted Average)	108,623,000



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

#N/A

Other
ModernGraham
posts about related
companies

[Paychex Inc. Analysis – August 2015 Update \\$PAYX](#)
[Robert Half International Inc. Analysis – August 2015 Update \\$RHI](#)
[United Rentals Inc. Analysis – Initial Coverage \\$URI](#)
[Automatic Data Processing Analysis – June 2015 Update \\$ADP](#)
[Accenture plc Analysis – June 2015 Update \\$ACN](#)
[Fiserv Inc. Analysis – 2015 Annual Update \\$FISV](#)
[Paychex Inc. Quarterly Valuation – May 2015 \\$PAYX](#)
[Robert Half International Quarterly Valuation – May 2015 \\$RHI](#)
[Omnicom Group Inc. Annual Valuation – 2015 \\$OMC](#)
[Automatic Data Processing Quarterly Valuation – March 2015 \\$ADP](#)