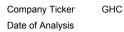
ModernGraham Valuation

Company Name:

Graham Holdings Co



9/21/2015



Pass

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	\$3,472,041,166	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	2.34	Pass
3.	Earnings Stability	Positive EPS for 10 years prior		Pass
4.	Dividend Record	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at		Fail
5.	Earnings Growth	beginning and end	257.12%	Pass
6.	Moderate PEmg Ratio	PEmg < 20	8.37	Pass
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.07	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	2.34	Pass
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.78	Pass
3.	Earnings Stability	Positive EPS for 5 years prior		Pass
4.	Dividend Record	Currently Pays Dividend		Pass

EPSmg greater than 5 years ago

Suitability

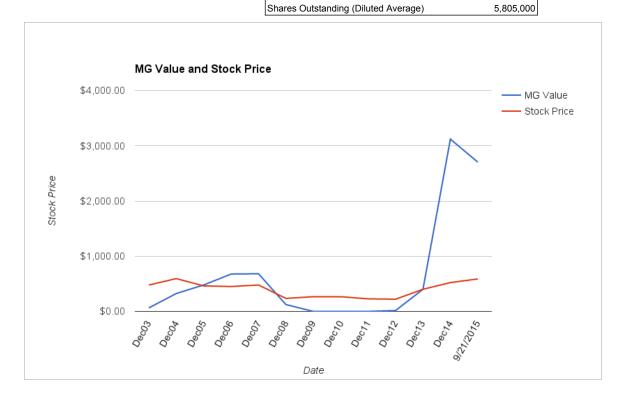
Defensive	Yes
Enterprising	Yes

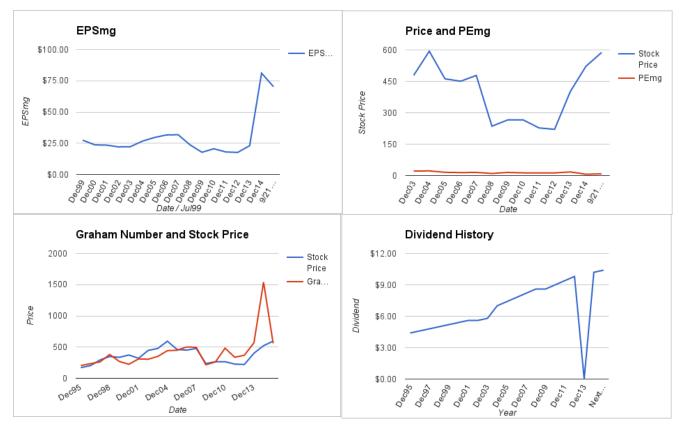
Stage 2: Determination of Intrinsic Value

5. Earnings Growth

0		
	EPSmg	\$70.23
	MG Growth Estimate	15.00%
	MG Value	\$2,703.98
	MG Value based on 3% Growth	\$1,018.38
	MG Value based on 0% Growth	\$596.98
	Market Implied Growth Rate	-0.07%
MG Opinion		
	Current Price	\$587.70
	% of Intrinsic Value	21.73%
	Opinion	Undervalued
Stage 3: Infor	mation for Further Research	
	Net Current Asset Value (NCAV)	-\$153.32
	Graham Number	\$559.87
	PEmg	8.37
	Current Ratio	2.34
	PB Ratio	1.07
	Dividend Yield	1.77%
	Number of Consecutive Years of Dividend Growth	2
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	\$25.55	Next Fiscal Year Estimate	\$70.23
Dec14	\$195.03	Dec14	\$81.06
Dec13	\$32.05	Dec13	\$23.05
Dec12	\$17.39	Dec12	\$17.69
Dec11	\$14.70	Dec11	\$18.06
Dec10	\$31.04	Dec10	\$20.60
Dec09	\$9.78	Dec09	\$17.79
Dec08	\$6.87	Dec08	\$23.73
Dec07	\$30.19	Dec07	\$31.85
Dec06	\$33.68	Dec06	\$31.61
Dec05	\$32.59	Dec05	\$29.56
Dec04	\$34.59	Dec04	\$26.66
Dec03	\$25.12	Dec03	\$22.27
Dec02	\$21.34	Dec02	\$22.11
Dec01	\$24.06	Dec01	\$23.52
Dec00	\$14.32	Dec00	\$23.76
Dec99	\$22.30	Dec99	\$27.44
Dec98	\$41.10	Balance Sheet Information	Jun15
Dec97	\$26.15	Total Current Assets	\$2,113,034,000
Dec96	\$20.05	Total Current Liabilities	\$903,744,000
Dec95	\$17.15	Long-Term Debt	\$947,219,000
		Total Assets	\$6,181,940,000
		Intangible Assets	\$1,923,547,000
		Total Liabilities	\$3,003,080,000
		Charge Outstanding (Diluted Average)	E 905 000





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	5 Speculative and Overvalued Companies to Avoid – October 2014	
	17 Companies in the Spotlight This Week – 9/20/2014	
	Graham Holdings Company Annual Stock Valuation – 2014 \$GHC	
	17 Companies in the Spotlight This Week – June 21, 2014	
	Graham Holdings Company Quarterly Valuation – June 2014 \$GHC	
Other	Scripps Networks Interactive Inc. Analysis – September 2015 Update \$SNI	
ModernGraham posts about related companies	AMC Networks Inc. Analysis – Initial Coverage \$AMCX	
	CBS Corporation Analysis – August 2015 Update \$CBS	
	Twenty-First Century Fox Analysis – July 2015 Update \$FOXA	
	Discovery Communications Analysis – 2015 Annual Update \$DISCA	
	CBS Corporation Quarterly Valuation – May 2015 \$CBS	
	Twenty-First Century Fox Inc. Quarterly Valuation – April 2015 \$FOXA	
	Time Warner Inc. Annual Valuation – 2015 \$TWX	
	Comcast Corporation Annual Valuation – 2015 \$CMCSA	
	Cablevision Systems Corporation Annual Valuation – 2015 \$CVC	