

# ModernGraham Valuation

## Company Name:

Company Ticker SNI

Date of Analysis

Scripps Networks  
Interactive, Inc.

9/9/2015



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

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.85
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$148.20</b>
MG Value based on 3% Growth	\$55.82
MG Value based on 0% Growth	\$32.72
Market Implied Growth Rate	2.71%

### MG Opinion

Current Price	\$53.59
% of Intrinsic Value	36.16%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

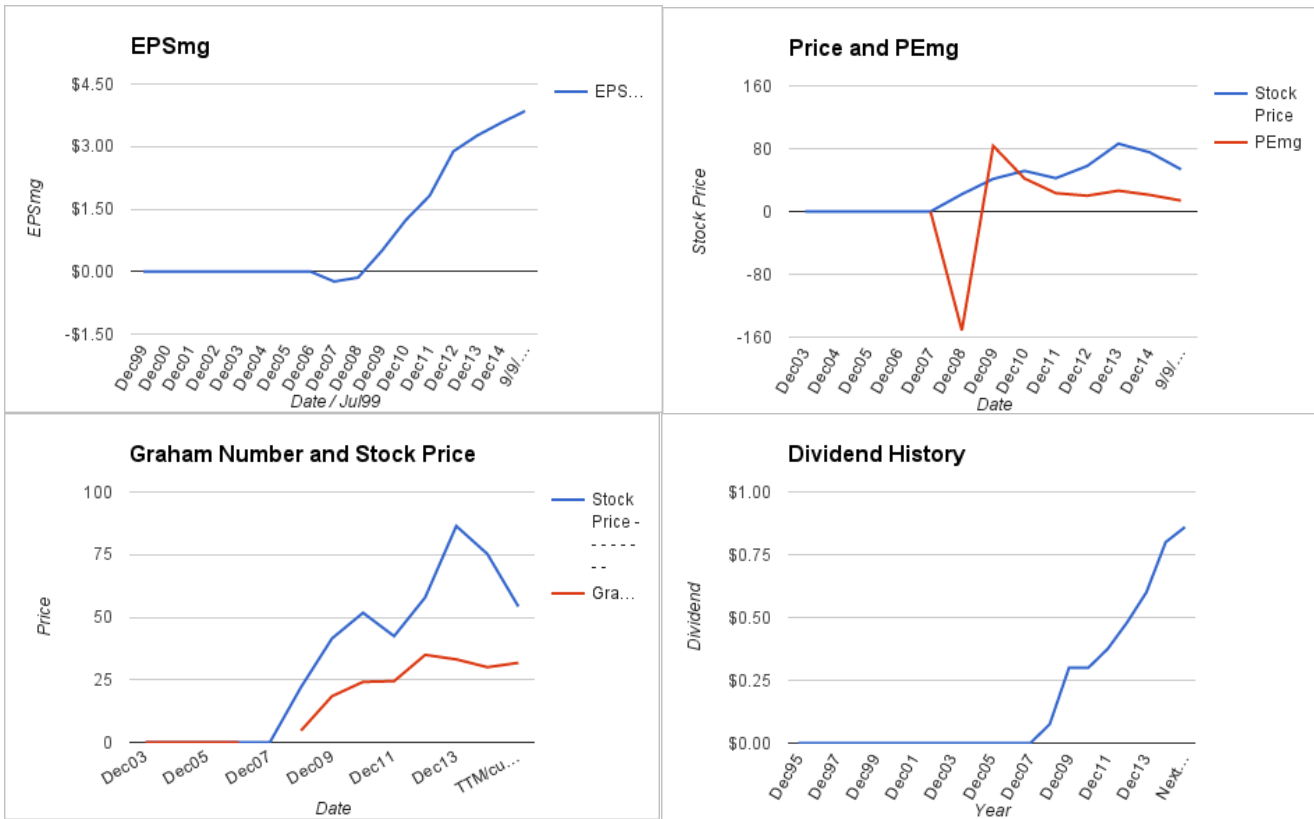
Net Current Asset Value (NCAV)	-\$9.35
Graham Number	\$31.77
PEmg	13.92
Current Ratio	10.49
PB Ratio	5.04
Dividend Yield	1.60%
Number of Consecutive Years of Dividend Growth	5

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.17	Next Fiscal Year Estimate	\$3.85
Dec14	\$3.83	Dec14	\$3.57
Dec13	\$3.40	Dec13	\$3.26
Dec12	\$4.44	Dec12	\$2.88
Dec11	\$2.49	Dec11	\$1.82
Dec10	\$2.45	Dec10	\$1.23
Dec09	\$1.81	Dec09	\$0.50
Dec08	\$0.14	Dec08	-\$0.15
Dec07	-\$0.72	Dec07	-\$0.24
Dec06	\$0.00	Dec06	\$0.00
Dec05	\$0.00	Dec05	\$0.00
Dec04	\$0.00	Dec04	\$0.00
Dec03	\$0.00	Dec03	\$0.00
Dec02	\$0.00	Dec02	\$0.00
Dec01	\$0.00	Dec01	\$0.00
Dec00	\$0.00	Dec00	\$0.00
Dec99	\$0.00	Dec99	\$0.00
Dec98	\$0.00	<b>Balance Sheet Information Jun15</b>	
Dec97	\$0.00	Total Current Assets	\$3,114,012,000
Dec96	\$0.00	Total Current Liabilities	\$296,927,000
Dec95	\$0.00	Long-Term Debt	\$3,440,654,000
		Total Assets	\$5,710,602,000
		Intangible Assets	\$1,655,379,000
		Total Liabilities	\$4,328,354,000
		Shares Outstanding (Diluted Average)	129,868,000





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

[20 Companies to Research This Week – 9/6/14](#)  
[Scripps Networks Interactive Inc. Annual Stock Valuation – 2014 \\$SNI](#)

Other  
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](#)  
[CBS Corporation Quarterly Valuation – January 2015 \\$CBS](#)