

ModernGraham Valuation

Company Name:

Company Ticker SNI
Date of Analysis

Scripps Networks
Interactive, Inc.

2/1/2016



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 | \$7,828,631,588 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 3.31 | 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 | -2084.48% | Fail |
| 6. Moderate PEmg Ratio | PEmg < 20 | 15.98 | Pass |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 5.44 | 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 | 3.31 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 3.51 | 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

| | |
|---------------------|------------|
| Defensive | No |
| Enterprising | Yes |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|-----------------|
| EPSmg | \$3.89 |
| MG Growth Estimate | 15.00% |
| MG Value | \$149.61 |
| MG Value based on 3% Growth | \$56.35 |
| MG Value based on 0% Growth | \$33.03 |
| Market Implied Growth Rate | 3.74% |

MG Opinion

| | |
|----------------------|--------------------|
| Current Price | \$62.10 |
| % of Intrinsic Value | 41.51% |
| Opinion | Undervalued |

Stage 3: Information for Further Research

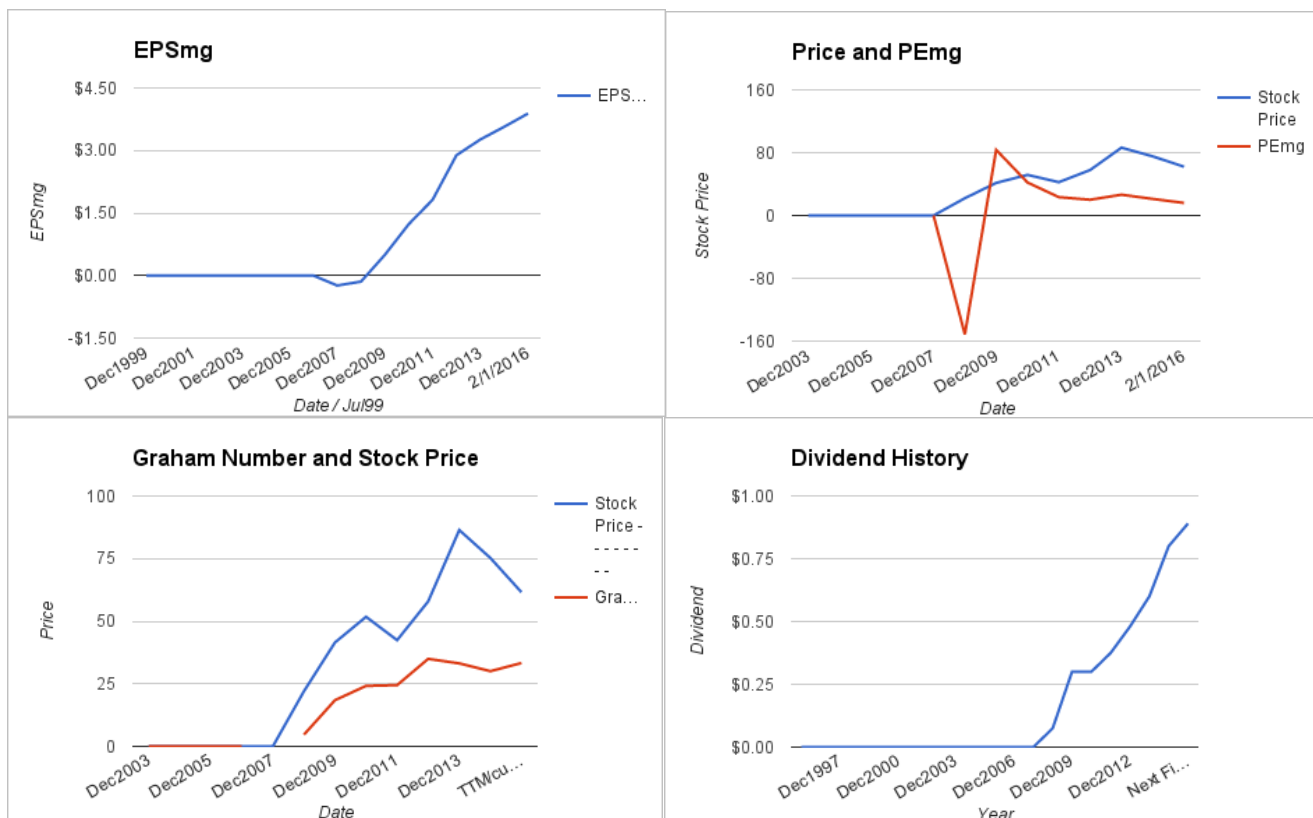
| | |
|--|----------|
| Net Current Asset Value (NCAV) | -\$27.50 |
| Graham Number | \$33.29 |
| PEmg | 15.98 |
| Current Ratio | 3.31 |
| PB Ratio | 5.44 |
| Dividend Yield | 1.43% |
| Number of Consecutive Years of Dividend Growth | 5 |

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 | \$4.28 | Next Fiscal Year Estimate | \$3.89 |
| Dec2014 | \$3.83 | Dec2014 | \$3.57 |
| Dec2013 | \$3.40 | Dec2013 | \$3.26 |
| Dec2012 | \$4.44 | Dec2012 | \$2.88 |
| Dec2011 | \$2.49 | Dec2011 | \$1.82 |
| Dec2010 | \$2.45 | Dec2010 | \$1.23 |
| Dec2009 | \$1.81 | Dec2009 | \$0.50 |
| Dec2008 | \$0.14 | Dec2008 | -\$0.15 |
| Dec2007 | -\$0.72 | Dec2007 | -\$0.24 |
| Dec2006 | \$0.00 | Dec2006 | \$0.00 |
| Dec2005 | \$0.00 | Dec2005 | \$0.00 |
| Dec2004 | \$0.00 | Dec2004 | \$0.00 |
| Dec2003 | \$0.00 | Dec2003 | \$0.00 |
| Dec2002 | \$0.00 | Dec2002 | \$0.00 |
| Dec2001 | \$0.00 | Dec2001 | \$0.00 |
| Dec2000 | \$0.00 | Dec2000 | \$0.00 |
| Dec1999 | \$0.00 | Dec1999 | \$0.00 |
| Dec1998 | \$0.00 | <div><div>Balance Sheet Information</div><div>Sep2015</div></div> | |
| Dec1997 | \$0.00 | Total Current Assets | \$1,684,478,000 |
| Dec1996 | \$0.00 | Total Current Liabilities | \$508,581,000 |
| Dec1995 | \$0.00 | Long-Term Debt | \$4,133,060,000 |
| | | Total Assets | \$6,731,655,000 |
| | | Intangible Assets | \$3,633,881,000 |
| | | Total Liabilities | \$5,251,703,000 |
| | | Shares Outstanding (Diluted Average) | 129,704,000 |





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

[The Best Companies of the Media Entertainment Industry – October 2015](#)
[Scripps Networks Interactive Inc. Analysis – September 2015 Update \\$SNI](#)
[20 Companies to Research This Week – 9/6/14](#)
[Scripps Networks Interactive Inc. Annual Stock Valuation – 2014 \\$SNI](#)

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companies

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[Wal-Mart Stores Inc. Valuation – November 2015 Update \\$WMT](#)
[CBS Corporation Valuation – November 2015 Update \\$CBS](#)
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[News Corporation Valuation – November 2015 Update \\$NWSA](#)
[The Best Companies of the Media Entertainment Industry – October 2015](#)
[Twenty-First Century Fox Inc. Valuation – October 2015 Update \\$FOXA](#)
[Graham Holdings Company Analysis – September 2015 Update \\$GHC](#)
[Scripps Networks Interactive Inc. Analysis – September 2015 Update \\$SNI](#)
[AMC Networks Inc. Analysis – Initial Coverage \\$AMCX](#)