

ModernGraham Valuation

Company Name:

Company Ticker SNI
Date of Analysis

Scripps Networks
Interactive, Inc.

7/30/2016



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	\$8,512,450,328	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.57	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	1045.53%	Pass
5. Earnings Growth	PEmg < 20	14.96	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.65	Fail
7. Moderate Price to Assets			

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	1.57	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.32	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	\$4.41
MG Growth Estimate	7.96%
MG Value	\$107.77
MG Value based on 3% Growth	\$64.01
MG Value based on 0% Growth	\$37.52
Market Implied Growth Rate	3.23%

MG Opinion

Current Price	\$66.06
% of Intrinsic Value	61.30%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$24.19
Graham Number	\$40.00
PEmg	14.96
Current Ratio	1.57
PB Ratio	4.65
Current Dividend	\$0.94
Dividend Yield	1.42%
Number of Consecutive Years of Dividend Growth	6

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.97	Next Fiscal Year Estimate	\$4.41
Dec2015	\$4.66	Dec2015	\$4.01
Dec2014	\$3.83	Dec2014	\$3.57
Dec2013	\$3.40	Dec2013	\$3.26
Dec2012	\$4.44	Dec2012	\$2.88
Dec2011	\$2.49	Dec2011	\$1.81
Dec2010	\$2.45	Dec2010	\$1.22
Dec2009	\$1.81	Dec2009	\$0.49
Dec2008	\$0.14	Dec2008	-\$0.16
Dec2007	-\$0.78	Dec2007	-\$0.26
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	Balance Sheet Information 3/1/2016	
Dec1998	\$0.00	Total Current Assets	\$1,653,775,000
Dec1997	\$0.00	Total Current Liabilities	\$1,051,874,000
Dec1996	\$0.00	Long-Term Debt	\$3,200,794,000
		Total Assets	\$6,638,324,000
		Intangible Assets	\$3,603,341,000
		Total Liabilities	\$4,792,861,000
		Shares Outstanding (Diluted Average)	129,790,000





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.

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