

# ModernGraham Valuation

Company Name:

Navient Corp

Company Ticker NAVI

Date of Analysis

8/31/2016



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass all 6 of the following tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$4,636,150,604	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Fail
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	23833233.33%	Pass
5. Moderate PEmg Ratio	PEmg < 20		6.01 Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50		1.28 Pass

*Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.*

1. Earnings Stability	Positive EPS for 5 years prior		Pass
2. Dividend Record	Currently Pays Dividend		Pass
3. 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	2.39
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$92.14</b>
MG Value based on 3% Growth	\$34.70
MG Value based on 0% Growth	\$20.34
Market Implied Growth Rate	-1.25%

### MG Opinion

Current Price	\$14.38
% of Intrinsic Value	15.61%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B</b>

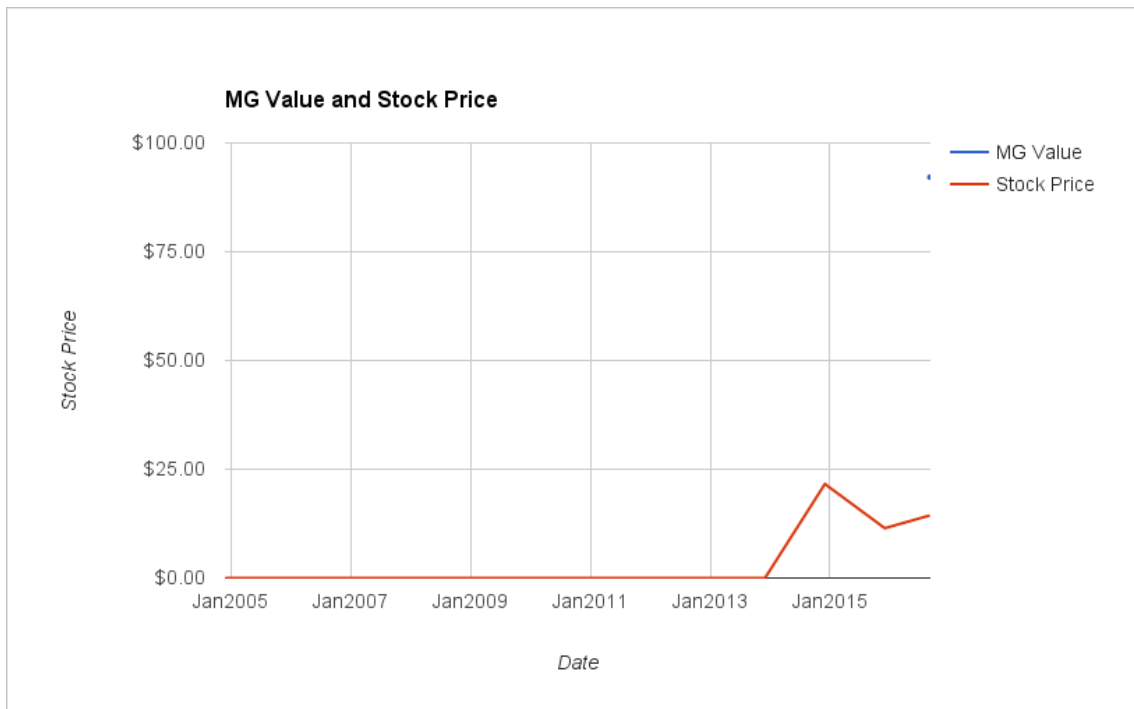
## Stage 3: Information for Further Research

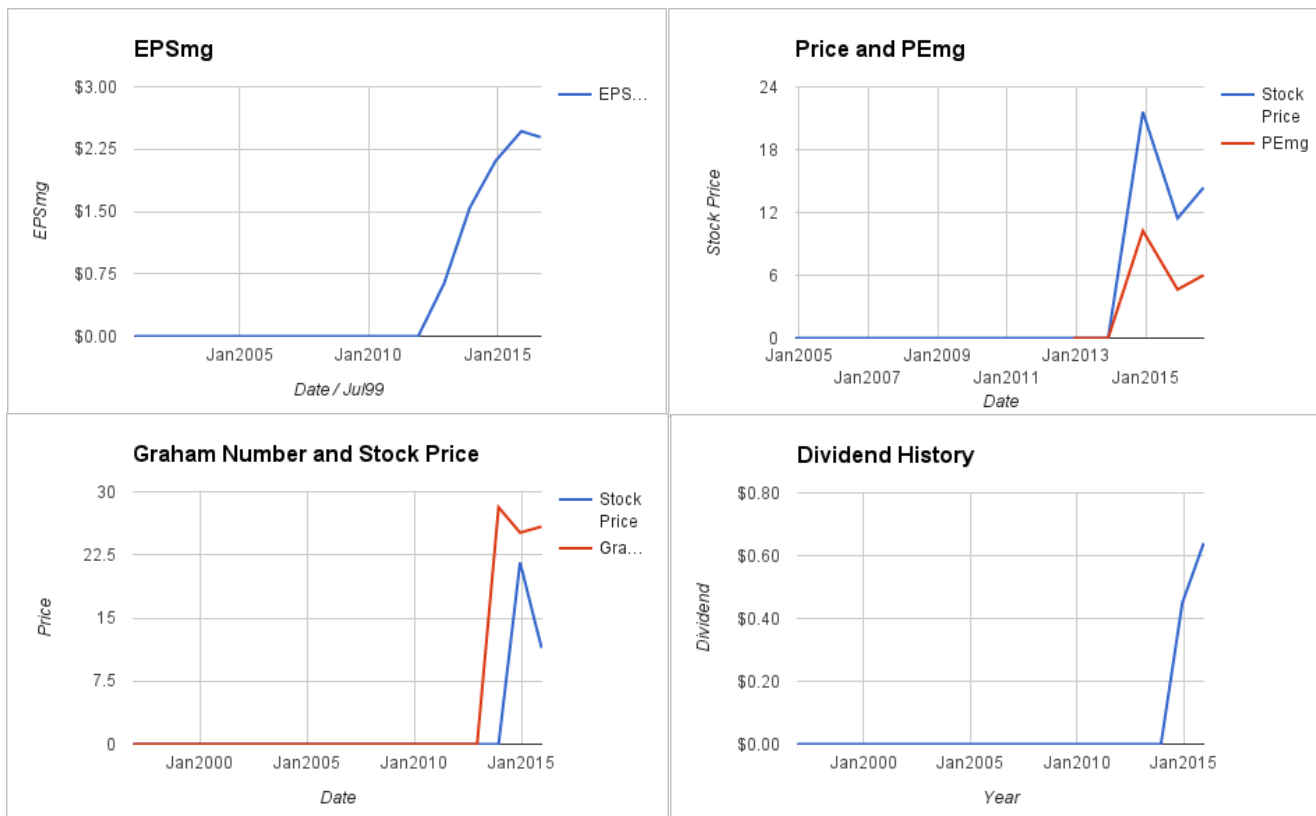
Graham Number	\$21.98
PEmg	6.01
PB Ratio	1.28
Dividend Yield	4.45%
Number of Consecutive Years of Dividend Growth	3

### 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	\$1.85	Next Fiscal Year Estimate	\$2.39
Dec2015	\$2.61	Dec2015	\$2.46
Dec2014	\$2.69	Dec2014	\$2.11
Dec2013	\$3.12	Dec2013	\$1.55
Dec2012	\$1.90	Dec2012	\$0.63
Dec2011	\$0.00	Dec2011	\$0.00
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
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		
Dec1998	\$0.00		
Dec1997	\$0.00		
Dec1996	\$0.00		
		<b>Balance Sheet Information</b>	<b>6/1/2016</b>
		Long-Term Debt & Capital Lease Obligation	\$119,637,000,000
		Total Assets	\$128,372,000,000
		Intangible Assets	\$696,000,000
		Total Liabilities	\$124,693,000,000
		Shares Outstanding (Diluted Average)	328,000,000





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

[Navient Corporation Analysis – Initial Coverage \\$NAVI](#)

Other  
ModernGraham  
posts about related  
companies

[T Rowe Price Group Inc Valuation – August 2016 \\$TROW](#)

[Moody's Corporation Valuation – August 2016 \\$MCO](#)

[KKR & Co L.P. Valuation – August 2016 \\$KKR](#)

[Franklin Resources Inc Valuation – August 2016 \\$BEN](#)

[Equifax Inc Valuation – August 2016 \\$EFX](#)

[Charles Schwab Corp Valuation – August 2016 \\$SCHW](#)

[Northern Trust Corp Valuation – July 2016 \\$NTRS](#)

[O'Reilly Automotive Inc Valuation – July 2016 \\$ORLY](#)

[Invesco Ltd Valuation – July 2016 \\$IVZ](#)

[Nasdaq Inc Valuation – July 2016 \\$NDAQ](#)