

# ModernGraham Valuation

Company Name:

Scholastic Corp

Company Ticker SCHL

Date of Analysis

12/12/2016



## 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	\$1,650,068,127	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.10	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	1555.71%	Pass
6. Moderate PEmg Ratio	PEmg < 20	16.28	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.31	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	2.10	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
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	\$2.86
MG Growth Estimate	12.09%
<b>MG Value</b>	<b>\$93.39</b>
MG Value based on 3% Growth	\$41.43
MG Value based on 0% Growth	\$24.29
Market Implied Growth Rate	3.89%

### MG Opinion

Current Price	\$46.53
% of Intrinsic Value	49.82%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C+</b>

## Stage 3: Information for Further Research

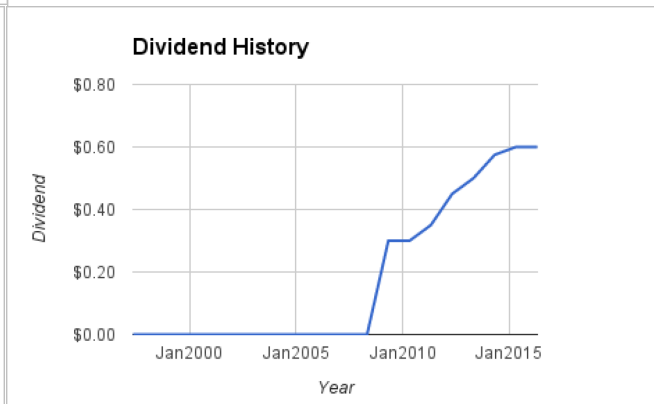
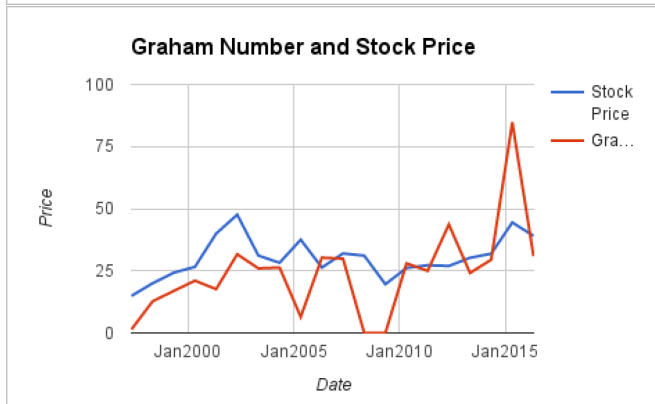
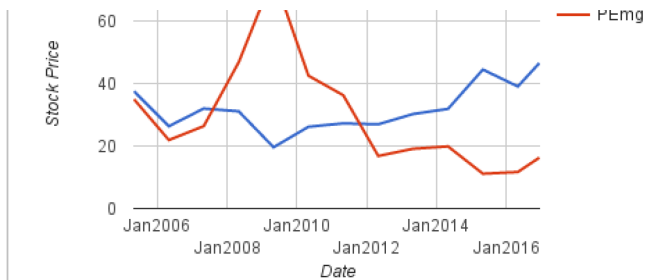
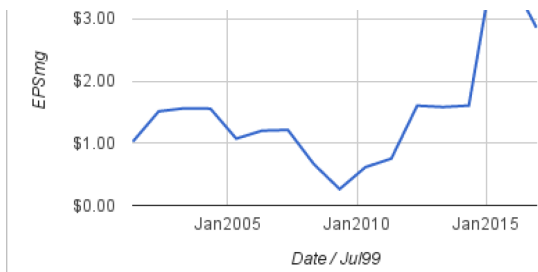
Net Current Asset Value (NCAV)	\$13.16
Graham Number	\$35.99
PEmg	16.28
Current Ratio	2.10
PB Ratio	1.31
Current Dividend	\$0.60
Dividend Yield	1.29%
Number of Consecutive Years of Dividend Growth	0

### 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	\$1.63	Next Fiscal Year Estimate	\$2.86
May2016	\$1.16	May2016	\$3.35
May2015	\$8.80	May2015	\$3.99
May2014	\$1.36	May2014	\$1.60
May2013	\$0.95	May2013	\$1.58
May2012	\$3.21	May2012	\$1.60
May2011	\$1.16	May2011	\$0.75
May2010	\$1.52	May2010	\$0.62
May2009	-\$0.38	May2009	\$0.26
May2008	-\$0.44	May2008	\$0.66
May2007	\$1.42	May2007	\$1.21
May2006	\$1.63	May2006	\$1.20
May2005	\$0.08	May2005	\$1.07
May2004	\$1.44	May2004	\$1.56
May2003	\$1.46	May2003	\$1.56
May2002	\$2.31	May2002	\$1.51
May2001	\$0.94	May2001	\$1.03
May2000	\$1.48	<b>Balance Sheet Information 8/1/2016</b>	
May1999	\$1.10	Total Current Assets	\$1,009,300,000
May1998	\$0.73	Total Current Liabilities	\$481,100,000
May1997	\$0.01	Long-Term Debt	\$0
		Total Assets	\$1,775,200,000
		Intangible Assets	\$122,600,000
		Total Liabilities	\$556,600,000
		Shares Outstanding (Diluted Average)	34,400,000





**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 #N/A

Other ModernGraham posts about related companies [Tegna Inc. Valuation – November 2015 Update \\$TGNA](#)  
[Tegna Inc. Analysis – August 2015 Update \\$TGNA](#)  
[Gannett Company Inc. Annual Valuation – 2014 \\$GCI](#)  
[Gannett Co. Inc. \(GCI\) Quarterly Valuation – May 2014](#)