ModernGraham Valuation

Company Name:
Apollo Education Group Inc

ModernGraham

Company Ticker	APOL
Date of Analysis	1/9/2017

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	$1,090,765,953	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.52	Fail
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	-105.37%	Fail
6. Moderate PEmg Ratio	PEmg < 20	43.85	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.01	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	1.52	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.09	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

Suitability

Defensive	**No**
Enterprising	**No**

Stage 2: Determination of Intrinsic Value

EPSmg	$0.23
MG Growth Estimate	-4.25%
MG Value	**$1.35**
MG Value based on 3% Growth	$3.29
MG Value based on 0% Growth	$1.93
Market Implied Growth Rate	17.68%

MG Opinion

Current Price	$9.94
% of Intrinsic Value	739.01%
Opinion	**Overvalued**
MG Grade	**F**

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	$1.35
Graham Number	$0.00
PEmg	43.85
Current Ratio	1.52
PB Ratio	1.01
Current Dividend	$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	-$0.04	Next Fiscal Year Estimate	$0.23
Aug2016	-$0.78	Aug2016	$0.71
Aug2015	$0.27	Aug2015	$1.75
Aug2014	$1.86	Aug2014	$2.67
Aug2013	$2.19	Aug2013	$3.19
Aug2012	$3.45	Aug2012	$3.64
Aug2011	$4.04	Aug2011	$3.60
Aug2010	$3.62	Aug2010	$3.25
Aug2009	$3.75	Aug2009	$2.95
Aug2008	$2.87	Aug2008	$2.41
Aug2007	$2.35	Aug2007	$2.06
Aug2006	$2.35	Aug2006	$1.78
Aug2005	$2.30	Aug2005	$1.38
Aug2004	$0.77	Aug2004	$0.87
Aug2003	$1.27	Aug2003	$0.84
Aug2002	$0.84	Aug2002	$0.58
Aug2001	$0.57	Aug2001	$0.41

Balance Sheet Information	8/1/2016
Total Current Assets	$1,088,725,000
Total Current Liabilities	$715,477,000
Long-Term Debt	$35,186,000
Total Assets	$2,012,906,000
Intangible Assets	$463,845,000
Total Liabilities	$942,572,000
Shares Outstanding (Diluted Average)	108,660,000

(EPS History continued)

Aug2000	$0.41
Aug1999	$0.33
Aug1998	$0.26
Aug1997	$0.19

MG Value and Stock Price

EPSmg

Price and PEmg

Graham Number and Stock Price

Dividend History

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	Apollo Education Group Inc. Analysis – Initial Coverage $APOL
Other ModernGraham posts about related companies	Automatic Data Processing Valuation – November 2016 $ADP
	United Rentals Inc Valuation – August 2016 $URI
	Robert Half International Inc Valuation – August 2016 $RHI
	Accenture PLC Valuation – August 2016 $ACN
	Fiserv Inc Valuation – August 2016 $FISV
	Cintas Corporation Valuation – July 2016 $CTAS
	Pitney Bowes Inc Valuation – July 2016 $PBI
	Xerox Corp Valuation – June 2016 $XRX
	Avery Dennison Corp Valuation – June 2016 $AVY
	Ecolab Inc Valuation – June 2016 $ECL