

# ModernGraham Valuation

## Company Name:

Company Ticker CPLA

Date of Analysis

2/8/2017

Capella Education  
Company



## 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	\$938,291,687	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.01	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	80.00%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	25.76	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.91	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	3.01	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
	Score		

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.24
MG Growth Estimate	1.18%
<b>MG Value</b>	<b>\$35.11</b>
MG Value based on 3% Growth	\$46.91
MG Value based on 0% Growth	\$27.50
Market Implied Growth Rate	8.63%

### MG Opinion

Current Price	\$83.35
% of Intrinsic Value	237.37%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$8.57
Graham Number	\$37.53
PEmg	25.76
Current Ratio	3.01
PB Ratio	4.91
Current Dividend	\$1.56
Dividend Yield	1.87%
Number of Consecutive Years of Dividend Growth	4

### 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	\$3.60	Next Fiscal Year Estimate	\$3.24
Dec2015	\$3.27	Dec2015	\$3.05
Dec2014	\$3.03	Dec2014	\$3.00
Dec2013	\$2.80	Dec2013	\$3.00
Dec2012	\$2.76	Dec2012	\$3.00
Dec2011	\$3.40	Dec2011	\$2.92
Dec2010	\$3.64	Dec2010	\$2.46
Dec2009	\$2.51	Dec2009	\$1.74
Dec2008	\$1.66	Dec2008	\$1.34
Dec2007	\$1.33	Dec2007	\$1.14
Dec2006	\$1.06	Dec2006	\$0.92
Dec2005	\$0.86	Dec2005	\$0.62
Dec2004	\$1.62	Dec2004	\$0.32
Dec2003	\$0.39	Dec2003	-\$0.33
Dec2002	-\$0.58	Dec2002	-\$0.60
Dec2001	-\$1.54	Dec2001	-\$0.51
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$0.00	Total Current Assets	\$175,409,000
Dec1997	\$0.00	Total Current Liabilities	\$58,180,000
Dec1996	\$0.00	Long-Term Debt	\$0
		Total Assets	\$274,501,000
		Intangible Assets	\$33,986,000
		Total Liabilities	\$74,316,000
		Shares Outstanding (Diluted Average)	11,790,000





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.

## Recommended Reading:

Other  
ModernGraham  
posts about the  
company

#N/A

Other  
ModernGraham  
posts about related  
companies

[Kelly Services Inc Valuation – Initial Coverage \\$KELYA](#)  
[Alliance Data Systems Corp Valuation – February 2017 \\$ADS](#)  
[John Wiley & Sons Inc Valuation – Initial Coverage \\$JW.A](#)  
[Dun & Bradstreet Corp Valuation – January 2017 \\$DNB](#)  
[Apollo Education Group Inc Valuation – January 2017 \\$APOL](#)  
[Accenture PLC Valuation – December 2016 \\$ACN](#)  
[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](#)