# **ModernGraham Valuation**

## **Company Name:**

Capella Education Company



Company Ticker Date of Analysis

2/8/2017

#### 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.

CPLA

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$938,291,687	Fail
Sufficiently Strong Financial Condition	Current Ratio > 2	. , ,	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		
5. Earnings Growth	beginning and end	80.00%	Pass

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

MG Opinion

Defensive No Enterprising Yes

#### Stage 2: Determination of Intrinsic Value

EPSmg	\$3.24
MG Growth Estimate	1.18%
MG Value	\$35.11
MG Value based on 3% Growth	\$46.91
MG Value based on 0% Growth	\$27.50
Market Implied Growth Rate	8.63%
Current Price	\$83.35

% of Intrinsic Value

Opinion

Overvalued

MG Grade

C-

#### 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

Morningstar

Useful Links: ModernGraham tagged articles

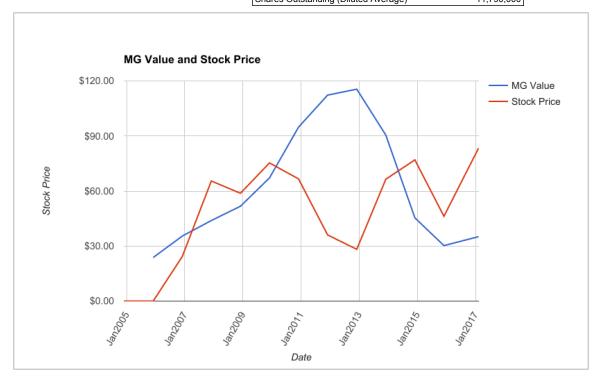
 Google Finance
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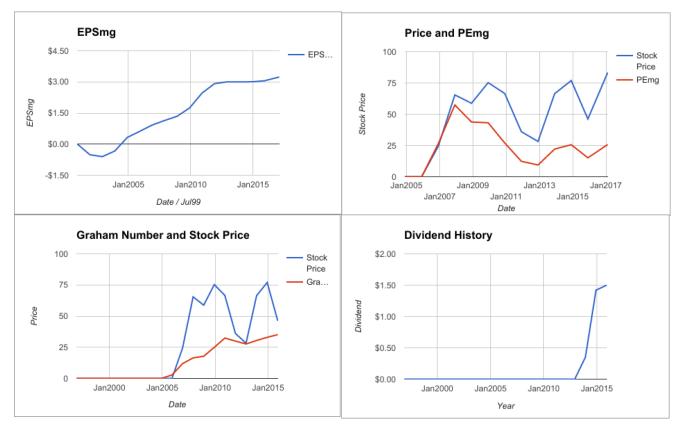
 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

237.37%

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	• • • • • • • • • • • • • • • • • • • •	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	Balance Sheet Information	9/1/2016
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

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

Kelly Services Inc Valuation - Initial Coverage \$KELYA