

ModernGraham Valuation

Company Name:

Strayer Education Inc

Company Ticker STRA

Date of Analysis

2/28/2017



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	\$877,177,696	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.68	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		
5. Earnings Growth		-54.55%	Fail
6. Moderate PEmg Ratio	PEmg < 20	22.46	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.46	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	2.68	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		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.45
MG Growth Estimate	-4.25%
MG Value	\$4.63
MG Value based on 3% Growth	\$50.05
MG Value based on 0% Growth	\$29.34
Market Implied Growth Rate	6.98%

MG Opinion

Current Price	\$77.54
% of Intrinsic Value	1674.44%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.63
Graham Number	\$36.67
PEmg	22.46
Current Ratio	2.68
PB Ratio	4.46
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	\$3.50	Next Fiscal Year Estimate	\$3.45
Dec2016	\$3.21	Dec2016	\$3.53
Dec2015	\$3.73	Dec2015	\$4.07
Dec2014	\$4.35	Dec2014	\$4.85
Dec2013	\$1.55	Dec2013	\$5.63
Dec2012	\$5.76	Dec2012	\$7.62
Dec2011	\$8.88	Dec2011	\$8.12
Dec2010	\$9.70	Dec2010	\$7.23
Dec2009	\$7.60	Dec2009	\$5.64
Dec2008	\$5.67	Dec2008	\$4.42
Dec2007	\$4.47	Dec2007	\$3.62
Dec2006	\$3.61	Dec2006	\$3.04
Dec2005	\$3.26	Dec2005	\$2.61
Dec2004	\$2.74	Dec2004	\$2.18
Dec2003	\$2.27	Dec2003	\$1.81
Dec2002	\$1.78	Dec2002	\$1.53
Dec2001	\$1.55	Dec2001	\$1.35
Dec2000	\$1.41	Balance Sheet Information	12/1/2016
Dec1999	\$1.23	Total Current Assets	\$160,543,000
Dec1998	\$1.12	Total Current Liabilities	\$59,839,000
Dec1997	\$0.93	Long-Term Debt	\$0
		Total Assets	\$298,696,000
		Intangible Assets	\$20,744,000
		Total Liabilities	\$110,322,000
		Shares Outstanding (Diluted Average)	10,845,000





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

- [Korn-Ferry International Valuation – Initial Coverage \\$KFY](#)
- [Capella Education Company Valuation – Initial Coverage \\$CPLA](#)
- [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](#)