

ModernGraham Valuation

JOHN WILEY &
SONS -CL A
Common Stock



Company Name:

Company Ticker JW.A

Date of Analysis

8/4/2018

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	\$3,667,866,266	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.55	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end		
5. Earnings Growth		-3.00%	Fail
6. Moderate PEmg Ratio	PEmg < 20	22.02	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.08	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	0.55	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-0.91	Fail
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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.85
MG Growth Estimate	0.09%
MG Value	\$24.76
MG Value based on 3% Growth	\$41.38
MG Value based on 0% Growth	\$24.26
Market Implied Growth Rate	6.76%

MG Opinion

Current Price	\$62.85
% of Intrinsic Value	253.82%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$20.04
Graham Number	\$38.34
PEmg	22.02
Current Ratio	0.55
PB Ratio	3.08
Current Dividend	\$1.28
Dividend Yield	2.04%
Number of Consecutive Years of Dividend Growth	19

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.15	Next Fiscal Year Estimate	\$2.85
Apr2018	\$3.32	Apr2018	\$2.70
Apr2017	\$1.95	Apr2017	\$2.42
Apr2016	\$2.48	Apr2016	\$2.71
Apr2015	\$2.97	Apr2015	\$2.84
Apr2014	\$2.70	Apr2014	\$2.77
Apr2013	\$2.39	Apr2013	\$2.75
Apr2012	\$3.47	Apr2012	\$2.84
Apr2011	\$2.80	Apr2011	\$2.45
Apr2010	\$2.41	Apr2010	\$2.23
Apr2009	\$2.15	Apr2009	\$2.06
Apr2008	\$2.49	Apr2008	\$1.93
Apr2007	\$1.71	Apr2007	\$1.61
Apr2006	\$1.85	Apr2006	\$1.50
Apr2005	\$1.35	Apr2005	\$1.29
Apr2004	\$1.41	Apr2004	\$1.20
Apr2003	\$1.38	Apr2003	\$1.04
Apr2002	\$0.91	Balance Sheet Information 4/1/2018	
Apr2001	\$0.93	Total Current Assets	\$479,971,000
Apr2000	\$0.81	Total Current Liabilities	\$874,311,000
Apr1999	\$0.60	Long-Term Debt	\$360,000,000
		Total Assets	\$2,839,451,000
		Intangible Assets	\$1,867,872,000
		Total Liabilities	\$1,648,894,000
		Shares Outstanding (Diluted Average)	58,344,000





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:

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[Transcontinental Inc Valuation – Initial Coverage \\$TSE.TCL.A](#)
[News Corp Valuation – Initial Coverage \\$NWS](#)
[Scholastic Corp Valuation – Initial Coverage \\$SCHL](#)
[Tegna Inc. Valuation – November 2015 Update \\$TGNA](#)
[Tegna Inc. Analysis – August 2015 Update \\$TGNA](#)
[Gannett Company Inc. Annual Valuation – 2014 \\$GCI](#)
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