

ModernGraham Valuation

Strategic Education
Inc



Company Name:

Company Ticker STRA

Date of Analysis

8/28/2018

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	\$1,564,597,123	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.09	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	-68.41%	Fail
5. Earnings Growth	PEmg < 20	46.23	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	7.04	Fail
7. Moderate Price to Assets			

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	3.09	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		Fail
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.99
MG Growth Estimate	-4.25%
MG Value	\$8.90
MG Value based on 3% Growth	\$43.40
MG Value based on 0% Growth	\$25.44
Market Implied Growth Rate	18.86%

MG Opinion

Current Price	\$138.38
% of Intrinsic Value	1555.37%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

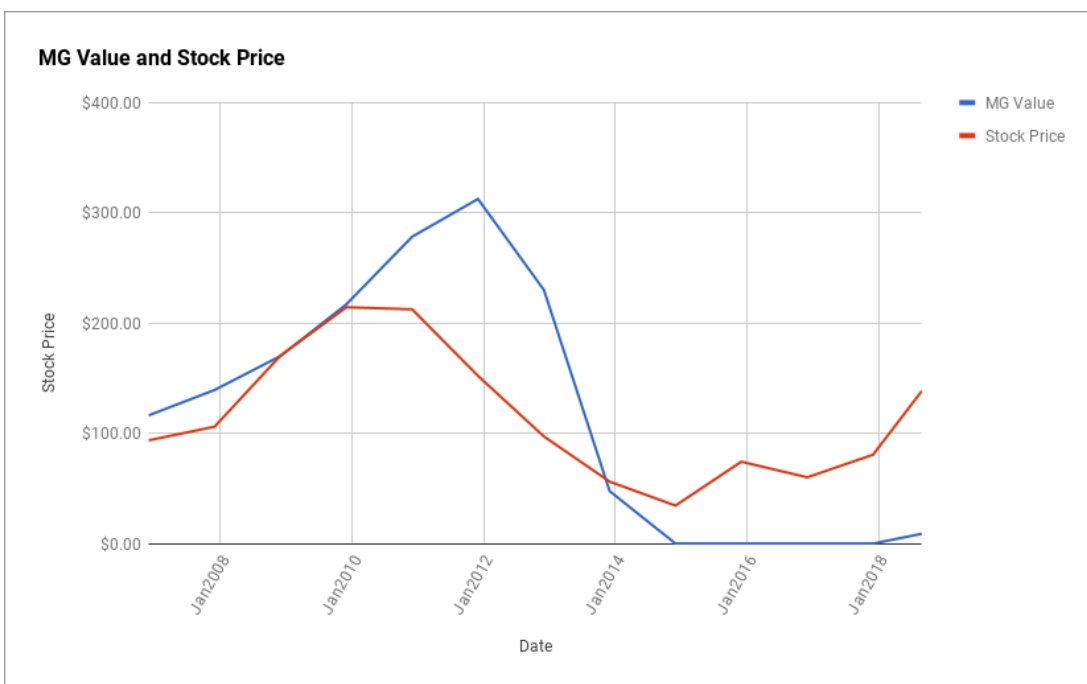
Net Current Asset Value (NCAV)	\$8.90
Graham Number	\$36.84
PEmg	46.23
Current Ratio	3.09
PB Ratio	7.04
Current Dividend	\$1.00
Dividend Yield	0.72%
Number of Consecutive Years of Dividend Growth	1

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.22	Next Fiscal Year Estimate	\$2.99
Dec2017	\$1.84	Dec2017	\$2.90
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	Balance Sheet Information 6/1/2018	
Dec2000	\$1.41	Total Current Assets	\$214,172,000
Dec1999	\$1.23	Total Current Liabilities	\$69,204,000
Dec1998	\$1.12	Long-Term Debt	\$0
		Total Assets	\$336,765,000
		Intangible Assets	\$17,919,000
		Total Liabilities	\$112,925,000
		Shares Outstanding (Diluted Average)	11,380,000





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.

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