

ModernGraham Valuation

GANNETT CO INC.
Common Stock



Company Name:

Company Ticker TGNA

Date of Analysis

8/27/2018

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	\$2,477,588,762	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.93	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		-17.50%	Fail
6. Moderate PEmg Ratio	PEmg < 20	6.43	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.28	Pass

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	1.93	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	12.94	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 Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.83
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$26.48
MG Value based on 0% Growth	\$15.52
Market Implied Growth Rate	-1.03%

MG Opinion

Current Price	\$11.75
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$16.27
Graham Number	\$12.75
PEmg	6.43
Current Ratio	1.93
PB Ratio	2.28
Current Dividend	\$0.35
Dividend Yield	2.98%
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	\$1.56	Next Fiscal Year Estimate	\$1.83
Dec2017	\$1.26	Dec2017	\$2.07
Dec2016	\$1.99	Dec2016	\$2.45
Dec2015	\$2.00	Dec2015	\$2.58
Dec2014	\$4.58	Dec2014	\$2.74
Dec2013	\$1.66	Dec2013	\$1.83
Dec2012	\$1.79	Dec2012	-\$0.15
Dec2011	\$1.89	Dec2011	-\$2.00
Dec2010	\$2.43	Dec2010	-\$3.68
Dec2009	\$1.51	Dec2009	-\$5.36
Dec2008	-\$29.11	Dec2008	-\$6.52
Dec2007	\$4.52	Dec2007	\$4.78
Dec2006	\$4.90	Dec2006	\$4.85
Dec2005	\$5.06	Dec2005	\$4.67
Dec2004	\$4.92	Dec2004	\$4.52
Dec2003	\$4.46	Dec2003	\$4.32
Dec2002	\$4.31	Dec2002	\$4.21
Dec2001	\$3.03	Balance Sheet Information 6/1/2018	
Dec2000	\$6.41	Total Current Assets	\$502,878,000
Dec1999	\$3.40	Total Current Liabilities	\$260,937,000
Dec1998	\$3.50	Long-Term Debt	\$3,131,137,000
		Total Assets	\$5,142,663,000
		Intangible Assets	\$4,138,676,000
		Total Liabilities	\$4,025,752,000
		Shares Outstanding (Diluted Average)	216,515,000





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**
- [Tegna Inc Valuation – February 2017 \\$TGNA](#)
 - [Tegna Inc. Valuation – November 2015 Update \\$TGNA](#)
 - [10 Most Undervalued Companies for the Enterprising Investor – November 2015](#)
 - [10 Most Undervalued Companies for the Enterprising Investor – October 2015](#)
 - [10 Companies Benjamin Graham Would Invest In Today – October 2015](#)

- Other ModernGraham posts about related companies**
- [E.W. Scripps Co Valuation – August 2018 \\$SSP](#)
 - [Cinemark Holdings Inc Valuation – August 2018 \\$CNK](#)
 - [Corus Entertainment Inc Valuation – July 2018 \\$TSE:CJR.B](#)
 - [AMC Networks Inc Valuation – July 2018 \\$AMCX](#)
 - [International Speedway Corp Valuation – July 2018 \\$ISCA](#)
 - [Cineplex Inc Valuation – July 2018 \\$TSE-CGX](#)
 - [Graham Holdings Co Valuation – July 2018 \\$GHC](#)
 - [News Corp Valuation – June 2018 \\$NWS](#)
 - [Netflix Inc Valuation – June 2018 \\$NFLX](#)
 - [CBS Corporation Valuation – April 2018 \\$CBS](#)