

- Possible explanations for American Branting's low share price
 - Lack of faith on investor's part
 - All, from a financial analysis standpoint, is fundamentally flawed

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- Easy can be saved for performance issues
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- Price is not representative of overall health, but rather DR's performance



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- Offered first public stock in 1992 with the sale of 200,000 shares at \$12/share.
- With \$1.7 billion, AG was the second largest greeting card publisher in the U.S.
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Identifying the Problem

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American Greetings Harvard Case Solution & Analysis

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Data Analysis

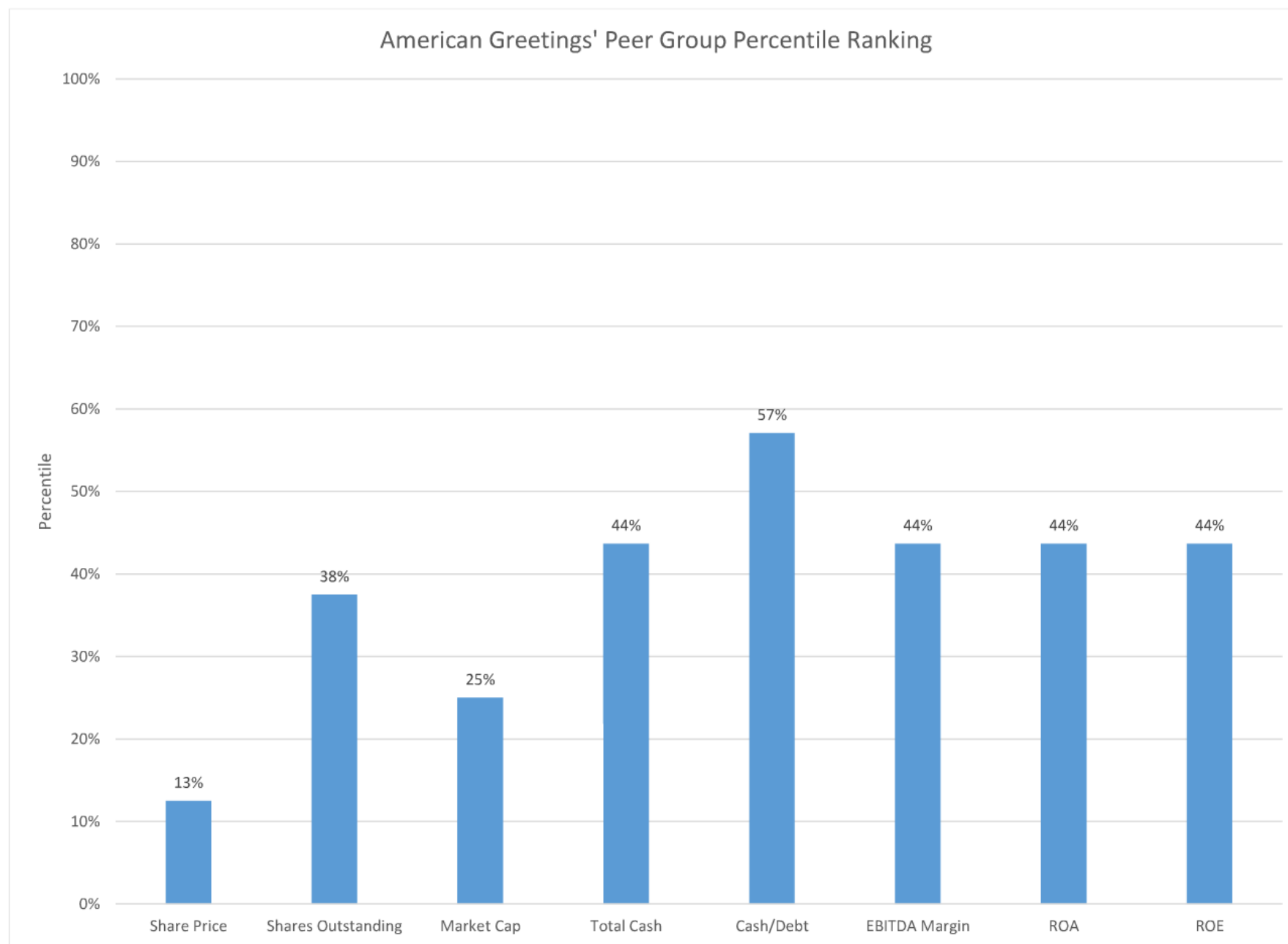
- Possible explanations for American Greeting's low share price?
 - Lack of faith on investor's part
 - AG, from a financial analysis standpoint, is fundamentally flawed
- Use quantitative, peer group analysis

Peer Group Analysis

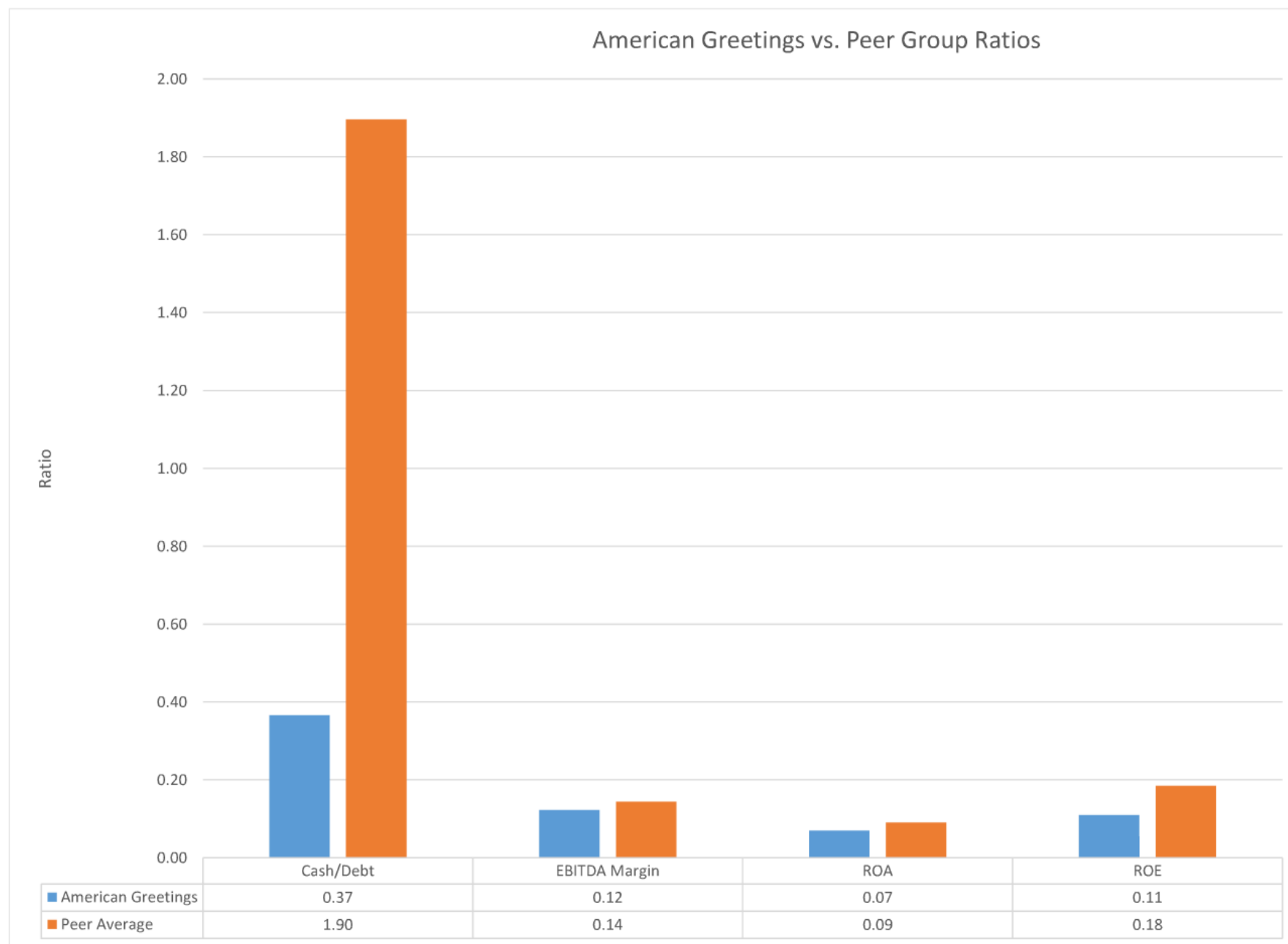
Data in USD millions except Share Price

	Price	# Shares	Market Cap	Total Cash	Total Debt	Cash/Debt	Revenue	EBITDA	EBITDA Margin	ROA	ROE
American Greetings	12.51	38.32	479.38	86	235	0.37	1660	204	0.12	0.07	0.11
Blyth	56.8	8.22	466.90	182	101	1.80	984	48	0.05	0.04	0.09
Central Garden & Pet	8.16	48.04	392.01	28	461	0.06	1650	109	0.07	0.05	0.05
Consolidated Graphics	48.28	10.24	494.39	7	197	0.04	1050	122	0.12	0.05	0.10
CSS Industries	19.92	9.73	193.82	10	0		453	30	0.07	0.04	0.02
Deluxe	22.76	50.93	1159.17	31	742	0.04	1420	359	0.25	0.13	0.55
Fossil	79.36	61.79	4903.65	288	15	19.20	2570	525	0.20	0.19	0.28
Lancaster Colony	69.34	27.26	1890.21	162	0		1090	156	0.14	0.15	0.19
McCormick & Company	50.42	133.05	6708.38	73	1250	0.06	3700	650	0.18	0.09	0.24
McGraw-Hill	44.97	278	12501.66	973	1200	0.81	6250	1670	0.27	0.14	0.44
Meredith	32.65	44.79	1462.39	26	250	0.10	1350	240	0.18	0.07	0.15
RR Donnelley & Sons	14.43	178.5	2575.76	450	345	1.30	10610	1290	0.12	0.05	-0.07
Scholastic	29.97	31.05	930.57	114	215	0.53	1950	189	0.10	0.06	0.08
Scotts Miracle-Gro	46.69	60.83	2840.15	128	1060	0.12	2820	391	0.14	0.10	0.20
Tupperware Brands	55.97	56.13	3141.60	138	621	0.22	2580	431	0.17	0.12	0.34
Total Count	15										
Peer Average	39.48	69.13	2676.00	180	446	1.90	2675.8	427.6	0.14	0.09	0.18
American Greetings Rank	14	10	12	9	9	6	8	9	9	8	9
Percentile	13%	38%	25%	44%	44%	57%	50%	44%	44%	44%	44%

Source: Case material, Smith calculations



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