ModernGraham Valuation

Company Name:

CMI Corporation

Modern Graham

Company Ticker CMI

Date of Analysis 12/11/2015

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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$16,014,329,972 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.23 Pass
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	
5. Earnings Growth	beginning and end	131.86% Pass
6. Moderate PEmg Ratio	PEmg < 20	10.05 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.00 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	2.23 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.33 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	Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$8.71
MG Growth Estimate	7.60%
MG Value	\$206.36
MG Value based on 3% Growth	\$126.30
MG Value based on 0% Growth	\$74.04
Market Implied Growth Rate	0.77%

MG Opinion

Opinion	Undervalued	
% of Intrinsic Value	4	12.42%
Current Price		\$87.53

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.59
Graham Number	\$92.89
PEmg	10.05
Current Ratio	2.23
PB Ratio	2.00
Dividend Yield	3.79%
Number of Consecutive Years of Dividend Growth	10

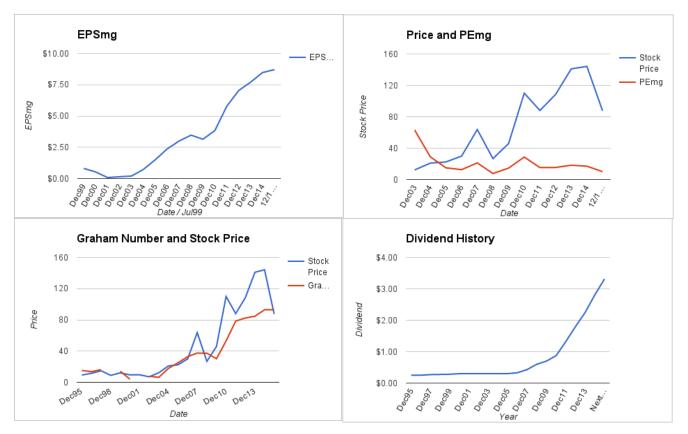
Morningstar

Useful Links: ModernGraham tagged articles

Google FinanceMSN MoneyYahoo FinanceSeeking AlphaGuruFocusSEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$8.79	Next Fiscal Year Estimate	\$8.71
Dec14	\$9.02	Dec14	\$8.48
Dec13	\$7.91	Dec13	\$7.71
Dec12	\$8.67	Dec12	\$7.04
Dec11	\$9.55	Dec11	\$5.78
Dec10	\$5.28	Dec10	\$3.83
Dec09	\$2.16	Dec09	\$3.14
Dec08	\$3.84	Dec08	\$3.47
Dec07	\$3.70	Dec07	\$3.00
Dec06	\$3.55	Dec06	\$2.37
Dec05	\$2.75	Dec05	\$1.50
Dec04	\$1.85	Dec04	\$0.72
Dec03	\$0.32	Dec03	\$0.19
Dec02	\$0.53	Dec02	\$0.14
Dec01	-\$0.68	Dec01	\$0.08
Dec00	\$0.09	Dec00	\$0.53
Dec99	\$1.03	Dec99	\$0.81
Dec98	-\$0.14	Balance Sheet Information	Sep15
Dec97	\$1.37	Total Current Assets	\$8,862,000,000
Dec96	\$1.00	Total Current Liabilities	\$3,968,000,000
Dec95	\$1.38	Long-Term Debt	\$1,595,000,000
		Total Assets	\$15,797,000,000
		Intangible Assets	\$818,000,000
		Total Liabilities	\$8,048,000,000
		Shares Outstanding (Diluted Average)	177,400,000





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 10 Undervalued Companies for the Defensive Dividend Stock Investor – December 2015

10 Low PE Stocks for the Defensive Investor – December 2015

5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – November 2015

10 Undervalued Companies for the Defensive Dividend Stock Investor – November 2015

10 Low PE Stocks for the Defensive Investor – November 2015

Other ModernGraham posts about related companies Fastenal Co Valuation – November 2015 Update \$FAST

Pentair PLC Valuation - November 2015 Update \$PNR

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Danaher Corporation Valuation – November 2015 Update \$DHR

AGCO Corporation Valuation - November 2015 Update \$AGCO

Snap-on Inc. Valuation - November 2015 Update \$SNA

Joy Global Inc. Valuation - November 2015 Update \$JOY

Rockwell Automation Inc. Valuation - October 2015 Update \$ROK

Paccar Inc. Analysis – October 2015 Update \$PCAR

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