

ModernGraham Valuation

Company Name:

Raven Industries, Inc.

Company Ticker RAVN

Date of Analysis

7/6/2016



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	\$653,828,340	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	5.51	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-37.21%	Fail
6. Moderate PEmg Ratio	PEmg < 20	29.57	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.55	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	5.51	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

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.63
MG Growth Estimate	-4.25%
MG Value	\$2.35
MG Value based on 3% Growth	\$9.07
MG Value based on 0% Growth	\$5.32
Market Implied Growth Rate	10.53%

MG Opinion

Current Price	\$18.49
% of Intrinsic Value	785.32%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$2.35
Graham Number	\$8.31
PEmg	29.57
Current Ratio	5.51
PB Ratio	2.55
Current Dividend	\$0.52
Dividend Yield	2.81%
Number of Consecutive Years of Dividend Growth	15

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.42	Next Fiscal Year Estimate	\$0.63
Jan2016	\$0.23	Jan2016	\$0.82
Jan2015	\$0.86	Jan2015	\$1.15
Jan2014	\$1.17	Jan2014	\$1.25
Jan2013	\$1.44	Jan2013	\$1.24
Jan2012	\$1.39	Jan2012	\$1.08
Jan2011	\$1.12	Jan2011	\$0.90
Jan2010	\$0.79	Jan2010	\$0.78
Jan2009	\$0.85	Jan2009	\$0.75
Jan2008	\$0.77	Jan2008	\$0.66
Jan2007	\$0.70	Jan2007	\$0.58
Jan2006	\$0.67	Jan2006	\$0.48
Jan2005	\$0.49	Jan2005	\$0.36
Jan2004	\$0.38	Jan2004	\$0.28
Jan2003	\$0.30	Jan2003	\$0.22
Jan2002	\$0.23	Jan2002	\$0.17
Jan2001	\$0.16	Jan2001	\$0.14
Jan2000	\$0.13	Balance Sheet Information 4/1/2016	
Jan1999	\$0.11	Total Current Assets	\$126,096,000
Jan1998	\$0.14	Total Current Liabilities	\$22,904,000
Jan1997	\$0.13	Long-Term Debt	\$0
		Total Assets	\$304,668,000
		Intangible Assets	\$60,560,000
		Total Liabilities	\$40,239,000
		Shares Outstanding (Diluted Average)	36,466,000





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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[Raven Industries Inc. Analysis – October 2015 Update \\$RAVN](#)
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