ModernGraham Valuation

Company Name: Daktronics, Inc.

Company Ticker	DAKT
Date of Analysis	4/12/2017

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	$401,451,667	Fail
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	2.10	Pass
3.	Earnings Stability	Positive EPS for 10 years prior		Fail
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	-33.64%	Fail
6.	Moderate PEmg Ratio	PEmg < 20	32.42	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.01	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	2.10	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	$0.28
MG Growth Estimate	-1.76%
MG Value	**$2.35**
MG Value based on 3% Growth	$4.07
MG Value based on 0% Growth	$2.39
Market Implied Growth Rate	11.96%

MG Opinion

Current Price	$9.10
% of Intrinsic Value	387.98%
Opinion	**Overvalued**
MG Grade	**C+**

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	$2.35
Graham Number	$4.61
PEmg	32.42
Current Ratio	2.10
PB Ratio	2.01
Current Dividend	$0.30
Dividend Yield	3.30%
Number of Consecutive Years of Dividend Growth	0

EPS History		EPSmg History	
Next Fiscal Year Estimate	$0.21	Next Fiscal Year Estimate	$0.28
Apr2016	$0.05	Apr2016	$0.33
Apr2015	$0.47	Apr2015	$0.45
Apr2014	$0.51	Apr2014	$0.39
Apr2013	$0.53	Apr2013	$0.32
Apr2012	$0.20	Apr2012	$0.25
Apr2011	$0.34	Apr2011	$0.32
Apr2010	-$0.17	Apr2010	$0.35
Apr2009	$0.64	Apr2009	$0.59
Apr2008	$0.63	Apr2008	$0.55
Apr2007	$0.59	Apr2007	$0.49
Apr2006	$0.52	Apr2006	$0.42
Apr2005	$0.39	Apr2005	$0.34
Apr2004	$0.44	Apr2004	$0.30
Apr2003	$0.32	Apr2003	$0.22
Apr2002	$0.13	Apr2002	$0.16
Apr2001	$0.23	Apr2001	$0.16
Apr2000	$0.17	**Balance Sheet Information**	**1/1/2017**
Apr1999	$0.12	Total Current Assets	$251,832,000
Apr1998	$0.10	Total Current Liabilities	$120,181,000
Apr1997	$0.04	Long-Term Debt	$0
		Total Assets	$348,106,000
		Intangible Assets	$13,200,000
		Total Liabilities	$148,392,000
		Shares Outstanding (Diluted Average)	44,102,000

MG Value and Stock Price

EPSmg

Price and PEmg

Graham Number and Stock Price

Dividend History
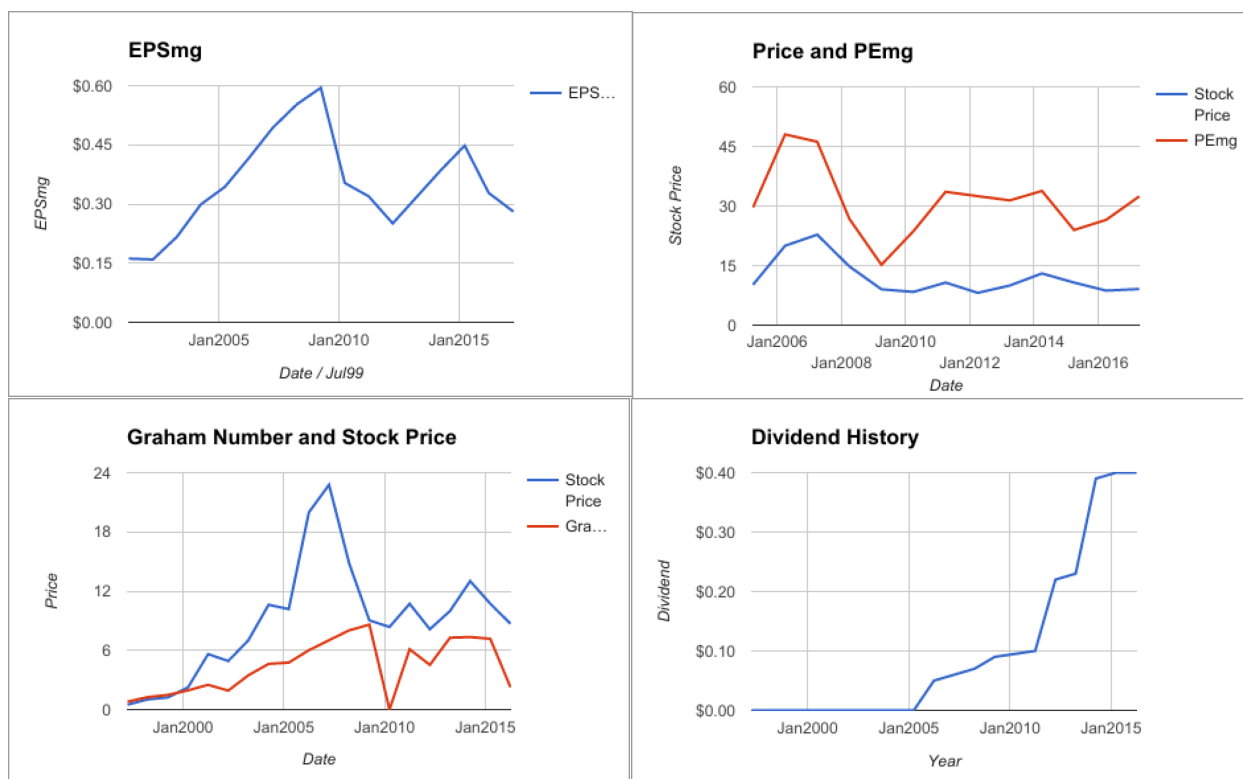
Disclaimer:

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   #N/A

Other ModernGraham posts about related companies
- Cypress Semiconductor Corp Valuation – Initial Coverage $CY
- Littelfuse Inc Valuation – Initial Coverage $LFUS
- CTS Corporation Valuation – Initial Coverage $CTS
- IT Hardware Industry Review – March 2017
- Garmin Ltd Valuation – March 2017 $GRMN
- Hewlett Packard Enterprise Co Valuation – Initial Valuation $HPE
- Fortive Corp Valuation – Initial Coverage $FTV
- Analog Devices Inc Valuation – February 2017 $ADI
- Micron Technology Inc Valuation – February 2017 $MU
- Amphenol Corp Valuation – February 2017 $APH