

ModernGraham Valuation

Company Name:

Exponent, Inc.

Company Ticker EXPO

Date of Analysis

9/4/2017



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	\$1,756,529,956	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.09	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	124.32%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	39.11	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.35	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	4.09	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.74
MG Growth Estimate	6.77%
MG Value	\$38.39
MG Value based on 3% Growth	\$25.25
MG Value based on 0% Growth	\$14.80
Market Implied Growth Rate	15.30%

MG Opinion

Current Price	\$68.10
% of Intrinsic Value	177.40%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$5.88
Graham Number	\$21.92
PEmg	39.11
Current Ratio	4.09
PB Ratio	6.35
Current Dividend	\$0.72
Dividend Yield	1.06%
Number of Consecutive Years of Dividend Growth	4

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	\$2.00	Next Fiscal Year Estimate	\$1.74
Dec2016	\$1.75	Dec2016	\$1.57
Dec2015	\$1.60	Dec2015	\$1.45
Dec2014	\$1.47	Dec2014	\$1.33
Dec2013	\$1.38	Dec2013	\$1.20
Dec2012	\$1.30	Dec2012	\$1.06
Dec2011	\$1.11	Dec2011	\$0.90
Dec2010	\$0.92	Dec2010	\$0.76
Dec2009	\$0.74	Dec2009	\$0.65
Dec2008	\$0.74	Dec2008	\$0.57
Dec2007	\$0.63	Dec2007	\$0.47
Dec2006	\$0.42	Dec2006	\$0.38
Dec2005	\$0.41	Dec2005	\$0.34
Dec2004	\$0.35	Dec2004	\$0.30
Dec2003	\$0.32	Dec2003	\$0.27
Dec2002	\$0.26	Dec2002	\$0.23
Dec2001	\$0.21	Dec2001	\$0.21
Dec2000	\$0.28	Balance Sheet Information	6/1/2017
Dec1999	\$0.19	Total Current Assets	\$278,723,000
Dec1998	\$0.13	Total Current Liabilities	\$68,116,000
Dec1997	\$0.15	Long-Term Debt	\$0
		Total Assets	\$409,675,000
		Intangible Assets	\$8,607,000
		Total Liabilities	\$120,276,000
		Shares Outstanding (Diluted Average)	26,968,000





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 #N/A

- Other ModernGraham posts about related companies
- [ExiService Holdings Inc Valuation – Initial Coverage \\$EXLS](#)
 - [Trueblue Inc Valuation – Initial Coverage \\$TBI](#)
 - [Global Payments Inc Valuation – Initial Coverage \\$GPN](#)
 - [Strayer Education Inc Valuation – Initial Coverage \\$STRA](#)
 - [Robert Half International Inc Valuation – February 2017 \\$RHI](#)
 - [Multi-Color Corporation Valuation – Initial Coverage \\$LABL](#)
 - [Kinaxis Inc Valuation – Initial Coverage \\$TSE:KXS](#)
 - [Korn-Ferry International Valuation – Initial Coverage \\$KFY](#)
 - [Capella Education Company Valuation – Initial Coverage \\$CPLA](#)
 - [Kelly Services Inc Valuation – Initial Coverage \\$KELYA](#)