

ModernGraham Valuation

Company Name:

Company Ticker NPK
Date of Analysis

National Presto
Industries Inc.

1/30/2016



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	\$531,985,969 Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	5.39 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	-15.94% Fail
5. Earnings Growth	PEmg < 20	16.82 Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.70 Pass
7. Moderate Price to Assets		

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	5.39 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	\$4.70
MG Growth Estimate	-4.25%
MG Value	\$28.40
MG Value based on 3% Growth	\$68.20
MG Value based on 0% Growth	\$39.98
Market Implied Growth Rate	4.16%

MG Opinion

Current Price	\$79.09
% of Intrinsic Value	278.49%
Opinion	Overvalued

Stage 3: Information for Further Research

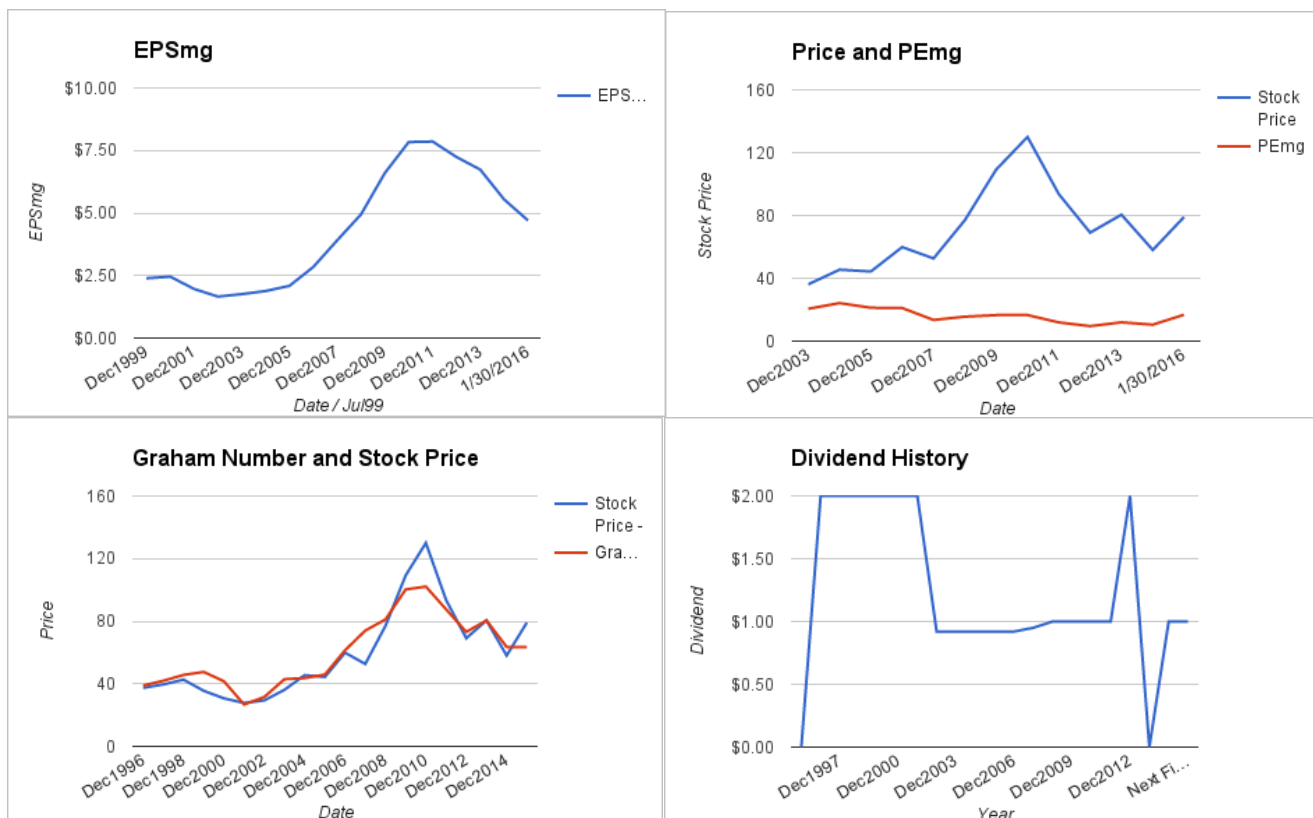
Net Current Asset Value (NCAV)	\$28.40
Graham Number	\$63.38
PEmg	16.82
Current Ratio	5.39
PB Ratio	1.70
Dividend Yield	1.26%
Number of Consecutive Years of Dividend Growth	2

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	\$3.82	Next Fiscal Year Estimate	\$4.70
Dec2014	\$3.82	Dec2014	\$5.54
Dec2013	\$5.97	Dec2013	\$6.73
Dec2012	\$5.64	Dec2012	\$7.24
Dec2011	\$6.98	Dec2011	\$7.86
Dec2010	\$9.26	Dec2010	\$7.84
Dec2009	\$9.13	Dec2009	\$6.60
Dec2008	\$6.45	Dec2008	\$4.95
Dec2007	\$5.65	Dec2007	\$3.91
Dec2006	\$4.09	Dec2006	\$2.84
Dec2005	\$2.40	Dec2005	\$2.09
Dec2004	\$2.26	Dec2004	\$1.88
Dec2003	\$2.27	Dec2003	\$1.76
Dec2002	\$1.27	Dec2002	\$1.66
Dec2001	\$0.92	Dec2001	\$1.96
Dec2000	\$2.16	Dec2000	\$2.45
Dec1999	\$2.84	Dec1999	\$2.39
Dec1998	\$2.68	Balance Sheet Information Sep2015 Total Current Assets \$247,690,000 Total Current Liabilities \$45,940,000 Long-Term Debt \$0 Total Assets \$374,057,000 Intangible Assets \$18,490,000 Total Liabilities \$50,228,000 Shares Outstanding (Diluted Average) 6,953,000	
Dec1997	\$2.31		
Dec1996	\$2.00		
Dec1995	\$0.00		





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.

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company

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[27 Companies in the Spotlight This Week – 4/4/15](#)
[National Presto Industries Inc. Quarterly Valuation – March 2015 \\$NPK](#)
[National Presto Industries Inc. Quarterly Valuation – December 2014 \\$NPK](#)

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[National Presto Industries Analysis – July 2015 Update \\$NPK](#)
[National Presto Industries Inc. Quarterly Valuation – March 2015 \\$NPK](#)
[National Presto Industries Inc. Quarterly Valuation – December 2014 \\$NPK](#)
[Leggett & Platt Inc. Annual Valuation – 2014 \\$LEG](#)
[Newell Rubbermaid Inc. Annual Valuation – 2014 \\$NWL](#)
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