

ModernGraham Valuation

Company Name:

Raven Industries, Inc.

Company Ticker RAVN

Date of Analysis

1/29/2016



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	\$538,485,856	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	6.34	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 beginning and end	1.30%	Fail
5. Earnings Growth	PEmg < 20	17.73	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.04	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	6.34	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	\$0.85
MG Growth Estimate	-3.22%
MG Value	\$2.43
MG Value based on 3% Growth	\$12.34
MG Value based on 0% Growth	\$7.24
Market Implied Growth Rate	4.61%

MG Opinion

Current Price	\$15.09
% of Intrinsic Value	621.48%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$2.43
Graham Number	\$7.21
PEmg	17.73
Current Ratio	6.34
PB Ratio	2.04
Dividend Yield	3.45%
Number of Consecutive Years of Dividend Growth	14

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	\$0.31	Next Fiscal Year Estimate	\$0.85
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	\$0.49
Jan2005	\$0.49	Jan2005	\$0.37
Jan2004	\$0.39	Jan2004	\$0.28
Jan2003	\$0.30	Jan2003	\$0.22
Jan2002	\$0.23	Jan2002	\$0.17
Jan2001	\$0.16	Jan2001	\$0.14
Jan2000	\$0.13	Jan2000	\$0.12
Jan1999	\$0.11	Balance Sheet Information Oct2015	
Jan1998	\$0.14	Total Current Assets	\$126,665,000
Jan1997	\$0.13	Total Current Liabilities	\$19,973,000
Jan1996	\$0.11	Long-Term Debt	\$0
		Total Assets	\$309,666,000
		Intangible Assets	\$61,382,000
		Total Liabilities	\$37,122,000
		Shares Outstanding (Diluted Average)	36,878,000





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

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

Other
ModernGraham
posts about related
companies

[Illinois Tool Works Inc Valuation – January 2016 Update \\$ITW](#)
[E I du Pont de Nemours & Co Valuation – November 2015 Update \\$DD](#)
[E I Du Pont de Nemours & Company Analysis – August 2015 Update \\$DD](#)
[E. I. Du Pont De Nemours and Company Quarterly Valuation – May 2015 \\$DD](#)
[Honeywell International Inc. Valuation – October 2015 Update \\$HON](#)
[Raven Industries Inc. Analysis – October 2015 Update \\$RAVN](#)
[Illinois Tool Works Inc. Analysis – October 2015 Update \\$ITW](#)
[3M Company Analysis – September 2015 Update \\$MMM](#)
[Honeywell International Inc. Analysis – July 2015 Update \\$HON](#)
[Raven Industries Inc. Analysis – Initial Coverage \\$RAVN](#)