

# ModernGraham Valuation

## Company Name:

Company Ticker NPK  
Date of Analysis

National Presto  
Industries Inc.

7/13/2016



## 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	\$664,020,229	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.90	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	-27.70%	Fail
5. Earnings Growth	PEmg < 20	17.70	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.13	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	4.90	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.39
MG Growth Estimate	-3.83%
<b>MG Value</b>	<b>\$27.14</b>
MG Value based on 3% Growth	\$78.16
MG Value based on 0% Growth	\$45.82
Market Implied Growth Rate	4.60%

### MG Opinion

Current Price	\$95.42
% of Intrinsic Value	351.58%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$27.14
Graham Number	\$75.94
PEmg	17.70
Current Ratio	4.90
PB Ratio	2.13
Current Dividend	\$1.00
Dividend Yield	1.05%
Number of Consecutive Years of Dividend Growth	0

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	\$5.70	Next Fiscal Year Estimate	\$5.39
Dec2015	\$5.83	Dec2015	\$5.37
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	\$6.62
Dec2008	\$6.45	Dec2008	\$5.00
Dec2007	\$5.65	Dec2007	\$3.98
Dec2006	\$4.09	Dec2006	\$2.94
Dec2005	\$2.78	Dec2005	\$2.21
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	<b>Balance Sheet Information 3/1/2016</b>	
Dec1998	\$2.68	Total Current Assets	\$237,519,000
Dec1997	\$2.31	Total Current Liabilities	\$48,515,000
Dec1996	\$2.00	Long-Term Debt	\$0
		Total Assets	\$360,566,000
		Intangible Assets	\$16,388,000
		Total Liabilities	\$48,515,000
		Shares Outstanding (Diluted Average)	6,964,000





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

[National Presto Industries Valuation – January 2016 Update \\$NPK](#)  
[National Presto Industries Inc. Valuation – October 2015 Update \\$NPK](#)  
[National Presto Industries Inc. Valuation – October 2015 Update \\$NPK](#)  
[National Presto Industries Analysis – July 2015 Update \\$NPK](#)  
[27 Companies in the Spotlight This Week – 4/4/15](#)

Other  
ModernGraham  
posts about related  
companies

[Leggett & Platt Inc Stock Valuation – February 2016 \\$LEG](#)  
[National Presto Industries Valuation – January 2016 Update \\$NPK](#)  
[Newell Rubbermaid Inc. Valuation – October 2015 Update \\$NWL](#)  
[National Presto Industries Valuation – January 2016 Update \\$NPK](#)  
[Newell Rubbermaid Inc. Valuation – October 2015 Update \\$NWL](#)  
[National Presto Industries Inc. Valuation – October 2015 Update \\$NPK](#)  
[Clorox Company Analysis – September 2015 Update \\$CLX](#)  
[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](#)