ModernGraham Valuation

Company Name:

Company Ticker CMTL Date of Analysis Comtech Telecomm. Corp.





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.

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	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$251,244,710	Fail
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.65	Fail
	3. Earnings Stability	Positive EPS for 10 years prior		Fail
	4. Dividend Record	Dividend Payments for 10 years prior		Fail
	5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-81.72%	Fail
	6. Moderate PEmg Ratio	PEmg < 20	22.71	Fail
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.55	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	1.65	Pass
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.07	Fail
	3. Earnings Stability	Positive EPS for 5 years prior		Fail
	4. Dividend Record	Currently Pays Dividend		Pass
	5. Earnings Growth	EPSmg greater than 5 years ago		Fail
		Score		
Suitability				
	Defensive	No		
	Enterprising	No		

Stage 2: Determination of Intrinsic Value

-	EPSmg		\$0.48
	MG Growth Estimate		-4.25%
	MG Value		\$0.00
	MG Value based on 3% Growth		\$6.94
	MG Value based on 0% Growth		\$4.07
	Market Implied Growth Rate		7.10%
MG Opinion			
	Current Price		\$10.87
	% of Intrinsic Value	N/A	
	Opinion	Overvalued	
	MG Grade	D+	

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$6.38
Graham Number	\$9.63
PEmg	22.71
Current Ratio	1.65
PB Ratio	0.55
Current Dividend	\$1.20
Dividend Yield	11.04%
Number of Consecutive Years of Dividend Growth	0

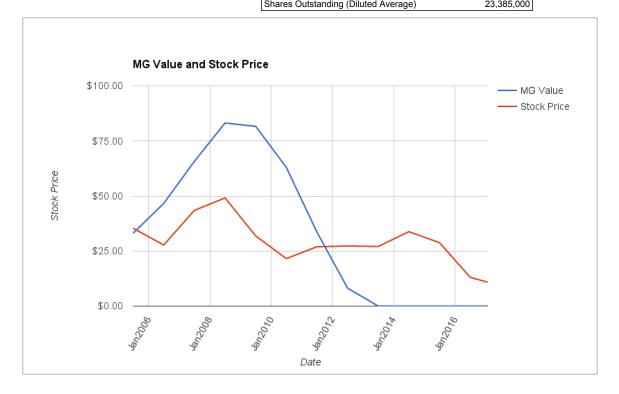
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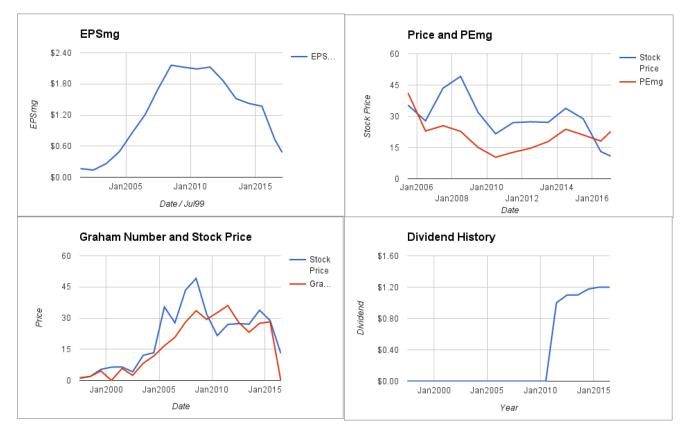
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EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$0.21	Next Fiscal Year Estimate	\$0.48
Jul2016	-\$0.46	Jul2016	\$0.72
Jul2015	\$1.42	Jul2015	\$1.37
Jul2014	\$1.37	Jul2014	\$1.42
Jul2013	\$0.97	Jul2013	\$1.52
Jul2012	\$1.42	Jul2012	\$1.86
Jul2011	\$2.22	Jul2011	\$2.12
Jul2010	\$1.91	Jul2010	\$2.09
Jul2009	\$1.73	Jul2009	\$2.12
Jul2008	\$2.76	Jul2008	\$2.16
Jul2007	\$2.42	Jul2007	\$1.7
Jul2006	\$1.72	Jul2006	\$1.2
Jul2005	\$1.42	Jul2005	\$0.86
Jul2004	\$0.92	Jul2004	\$0.49
Jul2003	\$0.53	Jul2003	\$0.20
Jul2002	\$0.07	Jul2002	\$0.14
Jul2001	\$0.38	Jul2001	\$0.17
Jul2000	-\$0.31	Balance Sheet Information	10/1/2010
Jul1999	\$0.51	Total Current Assets	\$292,908,000
Jul1998	\$0.12	Total Current Liabilities	\$177,864,000
Jul1997	\$0.05	Long-Term Debt	\$237,952,000
		Total Assets	\$903,452,000
		Intangible Assets	\$567,048,000
		Total Liabilities	\$442,164,000
		Shares Outstanding (Diluted Average)	23,385,000





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	Windstream Holdings Inc Valuation – August 2016 \$WIN
ModernGraham posts about related	Verizon Communications Inc Valuation – July 2016 \$VZ
companies	AT&T Inc Valuation – July 2016 \$T
	Harris Corporation Valuation – February 2016 \$HRS
	CenturyLink Inc Valuation – February 2016 \$CTL
	Frontier Communications Corp Valuation – November 2015 Update \$FTR
	Harris Corporation Analysis – September 2015 Update \$HRS
	Arris Group Inc. Analysis – Initial Coverage \$ARRS
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