

ModernGraham Valuation

Company Name:

Cray Inc.

Company Ticker

CRAY

Date of Analysis

2/13/2017



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	\$921,927,031	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.51	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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		
5. Earnings Growth		-169.05%	Fail
6. Moderate PEmg Ratio	PEmg < 20	63.68	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.70	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	3.51	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.34
MG Growth Estimate	-4.25%
MG Value	\$8.80
MG Value based on 3% Growth	\$5.00
MG Value based on 0% Growth	\$2.93
Market Implied Growth Rate	27.59%

MG Opinion

Current Price	\$21.95
% of Intrinsic Value	249.43%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

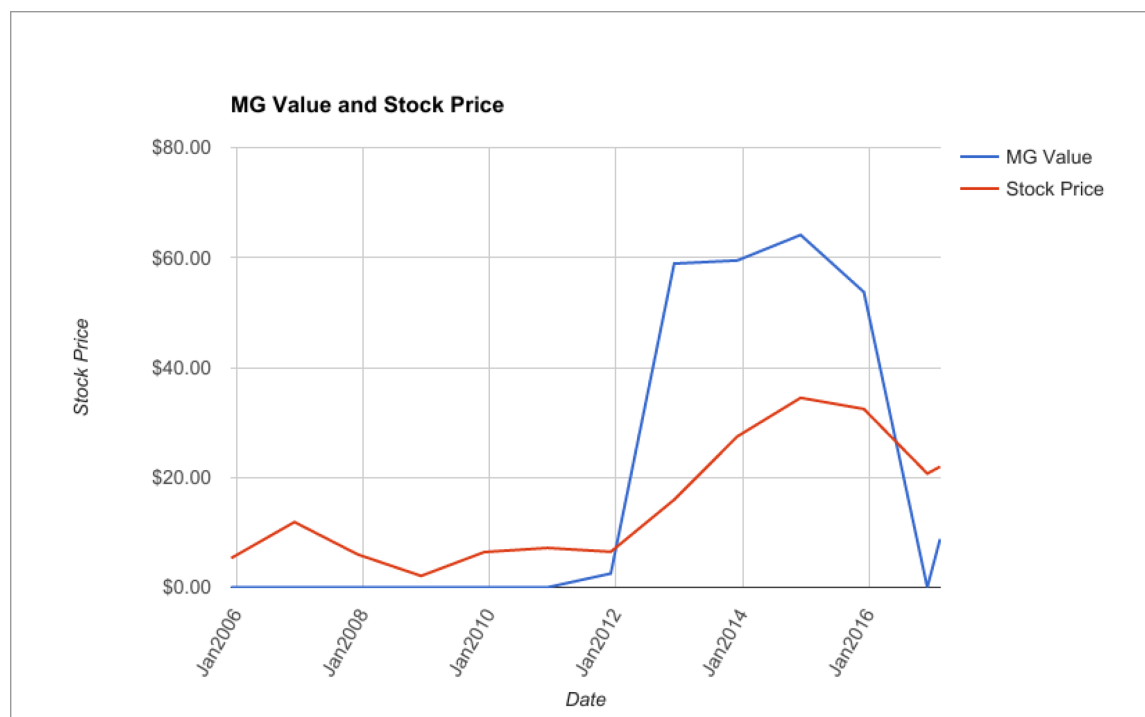
Net Current Asset Value (NCAV)	\$8.80
Graham Number	\$0.00
PEmg	63.68
Current Ratio	3.51
PB Ratio	1.70
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2016	-\$0.36	Dec2016	\$0.34
Dec2015	\$0.26	Dec2015	\$0.97
Dec2014	\$0.68	Dec2014	\$1.40
Dec2013	\$1.54	Dec2013	\$1.67
Dec2012	\$0.81	Dec2012	\$1.54
Dec2011	\$4.27	Dec2011	\$1.53
Dec2010	\$0.40	Dec2010	\$0.07
Dec2009	\$0.43	Dec2009	-\$0.17
Dec2008	-\$0.02	Dec2008	-\$0.64
Dec2007	-\$1.25	Dec2007	-\$1.62
Dec2006	-\$0.18	Dec2006	-\$1.86
Dec2005	-\$0.53	Dec2005	-\$2.42
Dec2004	-\$2.91	Dec2004	-\$3.05
Dec2003	-\$9.96	Dec2003	-\$2.91
Dec2002	\$3.77	Dec2002	-\$0.21
Dec2001	\$0.40	Dec2001	-\$2.80
Dec2000	-\$3.48	Dec2000	-\$4.83
Dec1999	-\$3.12	Balance Sheet Information 12/1/2016	
Dec1998	-\$6.96	Total Current Assets	\$548,280,000
Dec1997	-\$6.80	Total Current Liabilities	\$156,135,000
	-\$8.12	Long-Term Debt	\$0
		Total Assets	\$714,572,000
		Intangible Assets	\$15,819,000
		Total Liabilities	\$189,096,000
		Shares Outstanding (Diluted Average)	40,816,000





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.

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#N/A

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