

# ModernGraham Valuation

## Company Name:

Company Ticker CRS

Date of Analysis

2/23/2017

Carpenter Technology Corporation



## 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	\$1,977,339,414	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.29	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	-70.82%	Fail
5. Earnings Growth	PEmg < 20	40.83	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.72	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	3.29	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.85	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
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.01
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	\$14.66
MG Value based on 0% Growth	\$8.60
Market Implied Growth Rate	16.16%

### MG Opinion

Current Price	\$41.29
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

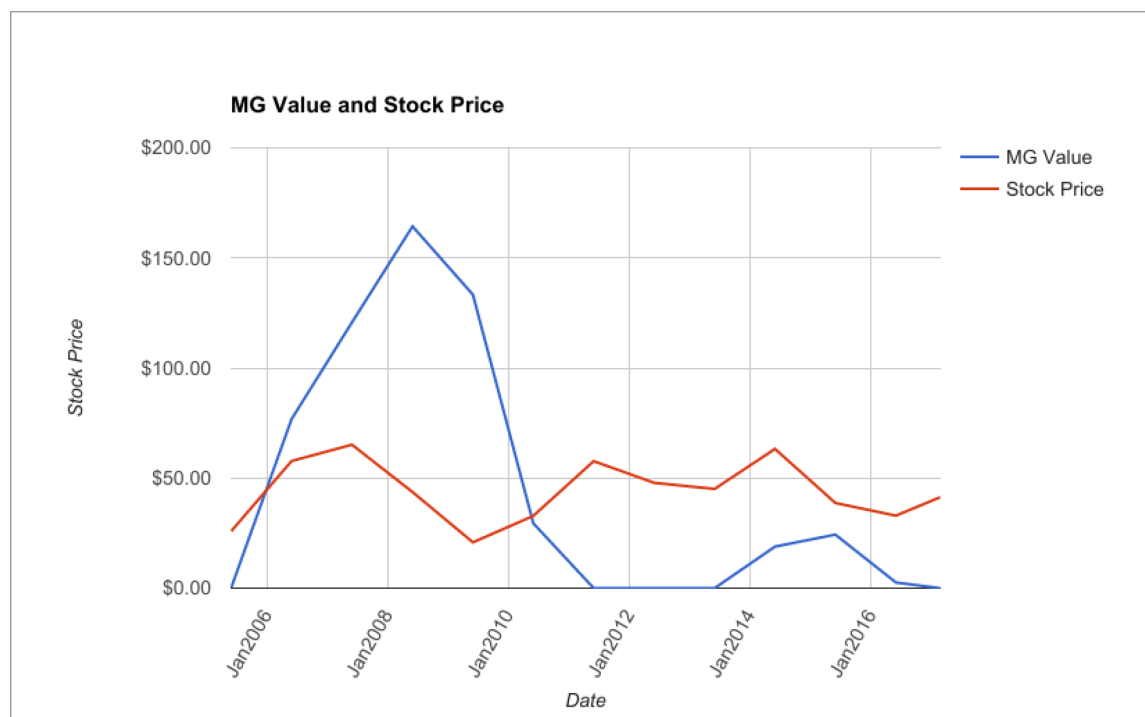
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$13.18
Graham Number	\$18.83
PEmg	40.83
Current Ratio	3.29
PB Ratio	1.72
Current Dividend	\$0.72
Dividend Yield	1.74%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.65	Next Fiscal Year Estimate	\$1.01
Jun2016	\$0.23	Jun2016	\$1.40
Jun2015	\$1.11	Jun2015	\$2.02
Jun2014	\$2.47	Jun2014	\$2.27
Jun2013	\$2.73	Jun2013	\$1.98
Jun2012	\$2.53	Jun2012	\$1.80
Jun2011	\$1.59	Jun2011	\$1.80
Jun2010	\$0.04	Jun2010	\$2.29
Jun2009	\$1.08	Jun2009	\$3.46
Jun2008	\$5.70	Jun2008	\$4.27
Jun2007	\$4.32	Jun2007	\$3.14
Jun2006	\$4.04	Jun2006	\$2.00
Jun2005	\$2.69	Jun2005	\$0.71
Jun2004	\$0.75	Jun2004	-\$0.23
Jun2003	-\$0.28	Jun2003	-\$0.52
Jun2002	-\$2.71	Jun2002	-\$0.32
Jun2001	\$0.44	Jun2001	\$0.97
Jun2000	\$1.16	<b>Balance Sheet Information 12/1/2016</b>	
Jun1999	\$0.79	Total Current Assets	\$1,026,200,000
Jun1998	\$1.92	Total Current Liabilities	\$312,100,000
Jun1997	\$1.58	Long-Term Debt	\$604,000,000
		Total Assets	\$2,777,400,000
		Intangible Assets	\$304,700,000
		Total Liabilities	\$1,647,100,000
		Shares Outstanding (Diluted Average)	47,100,000





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  
ModernGraham  
posts about related  
companies

[Commercial Metals Company Valuation – Initial Coverage \\$CMC](#)  
[Cliffs Natural Resources Inc Valuation – January 2017 \\$CLF](#)  
[Nucor Corporation Valuation – December 2016 \\$NUE](#)  
[Nucor Corp Valuation – August 2016 \\$NUE](#)  
[United States Steel Corp Valuation – July 2016 \\$X](#)  
[Nucor Corp Valuation – February 2016 Update \\$NUE](#)  
[Allegheny Technologies Inc. Valuation – November 2015 Update \\$ATI](#)  
[Nucor Corporation Analysis – September 2015 Update \\$NUE](#)  
[Cliffs Natural Resources Inc. Analysis – August 2015 Update \\$CLF](#)  
[Nucor Corporation Analysis – June 2015 Update \\$NUE](#)