

ModernGraham Valuation

Company Name:

Kaman Corporation

Company Ticker

KAMN

Date of Analysis

2/3/2017



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	\$1,367,314,420	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.94	Fail
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		
5. Earnings Growth		31.84%	Fail
6. Moderate PEmg Ratio	PEmg < 20	23.53	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.45	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	1.94	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.89	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.15
MG Growth Estimate	3.54%
MG Value	\$33.47
MG Value based on 3% Growth	\$31.17
MG Value based on 0% Growth	\$18.27
Market Implied Growth Rate	7.52%

MG Opinion

Current Price	\$50.58
% of Intrinsic Value	151.13%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

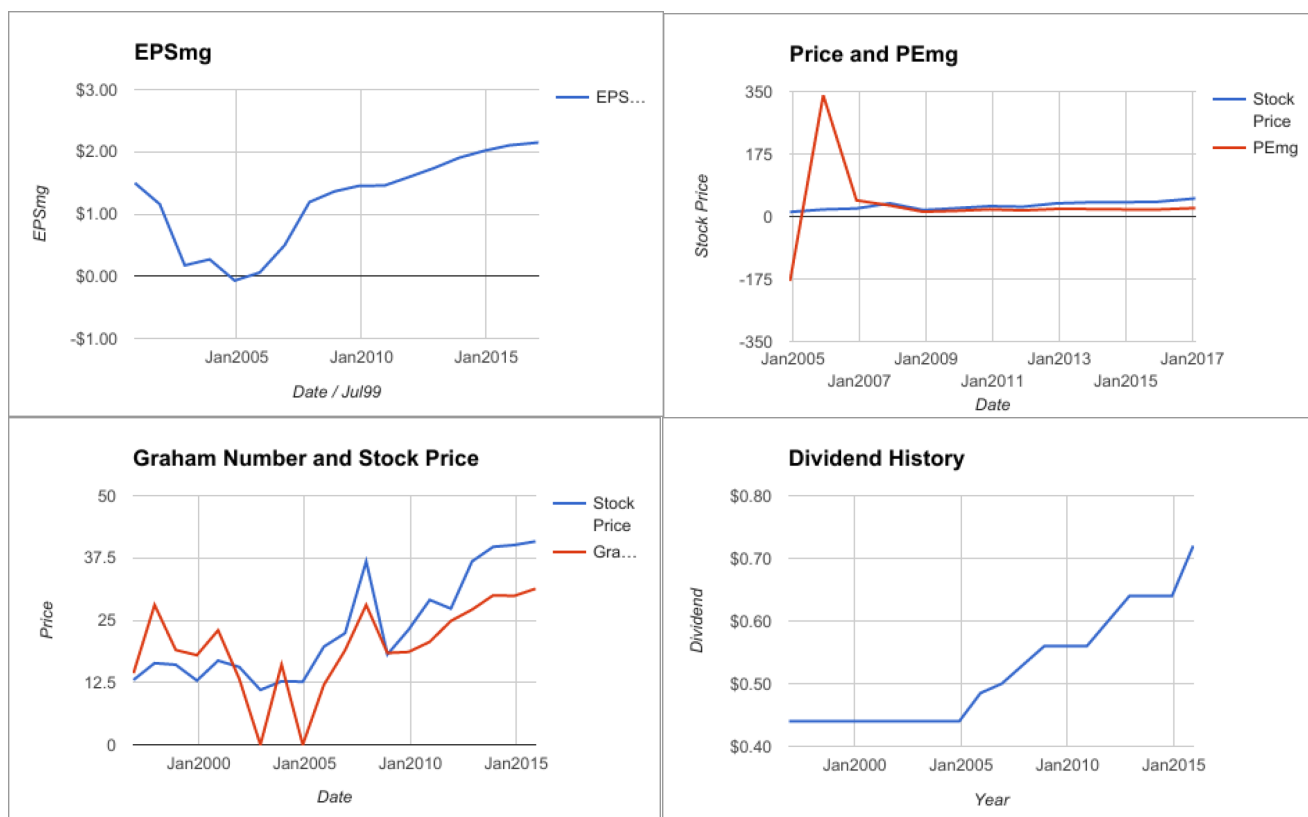
Net Current Asset Value (NCAV)	-\$5.74
Graham Number	\$32.59
PEmg	23.53
Current Ratio	1.94
PB Ratio	2.45
Current Dividend	\$0.72
Dividend Yield	1.42%
Number of Consecutive Years of Dividend Growth	2

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		Next Fiscal Year Estimate	
	\$2.21		\$2.15
Dec2015	\$2.17	Dec2015	\$2.10
Dec2014	\$2.08	Dec2014	\$2.02
Dec2013	\$2.10	Dec2013	\$1.90
Dec2012	\$2.07	Dec2012	\$1.74
Dec2011	\$1.93	Dec2011	\$1.60
Dec2010	\$1.36	Dec2010	\$1.46
Dec2009	\$1.27	Dec2009	\$1.45
Dec2008	\$1.40	Dec2008	\$1.36
Dec2007	\$2.23	Dec2007	\$1.19
Dec2006	\$1.30	Dec2006	\$0.50
Dec2005	\$0.57	Dec2005	\$0.06
Dec2004	-\$0.52	Dec2004	-\$0.07
Dec2003	\$0.86	Dec2003	\$0.27
Dec2002	-\$1.50	Dec2002	\$0.17
Dec2001	\$0.52	Dec2001	\$1.16
Dec2000	\$1.57	Dec2000	\$1.50
Dec1999	\$1.05	Balance Sheet Information 9/1/2016	
Dec1998	\$1.23	Total Current Assets	\$701,479,000
Dec1997	\$2.86	Total Current Liabilities	\$361,366,000
Dec1996	\$1.00	Long-Term Debt	\$301,566,000
		Total Assets	\$1,442,077,000
		Intangible Assets	\$481,171,000
		Total Liabilities	\$862,715,000
		Shares Outstanding (Diluted Average)	28,080,000





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

[John Bean Technologies Corp Valuation – Initial Coverage \\$JBT](#)
[W. W. Grainger Inc Valuation – January 2017 \\$GWW](#)
[Allegion PLC Valuation – January 2017 \\$ALLE](#)
[Xylem Inc Valuation – January 2017 \\$XYL](#)
[Clarcor Inc Valuation – Initial Coverage \\$CLC](#)
[Caterpillar Inc Valuation – August 2016 \\$CAT](#)
[Regal Beloit Corp Valuation – August 2016 \\$RBC](#)
[Snap-on Incorporated Valuation – August 2016 \\$SNA](#)
[AGCO Corporation Valuation – August 2016 \\$AGCO](#)
[PACCAR Inc Valuation – August 2016 \\$PCAR](#)