

ModernGraham Valuation

Company Name:

Knowles Corp

Company Ticker KN

Date of Analysis

2/14/2017



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	\$1,684,313,426	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.22	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		-7433.33%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-47.70	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.68	Fail

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	2.22	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.59	Fail
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	-\$0.40
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$5.75
MG Value based on 0% Growth	-\$3.37
Market Implied Growth Rate	-28.10%

MG Opinion

Current Price	\$18.92
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

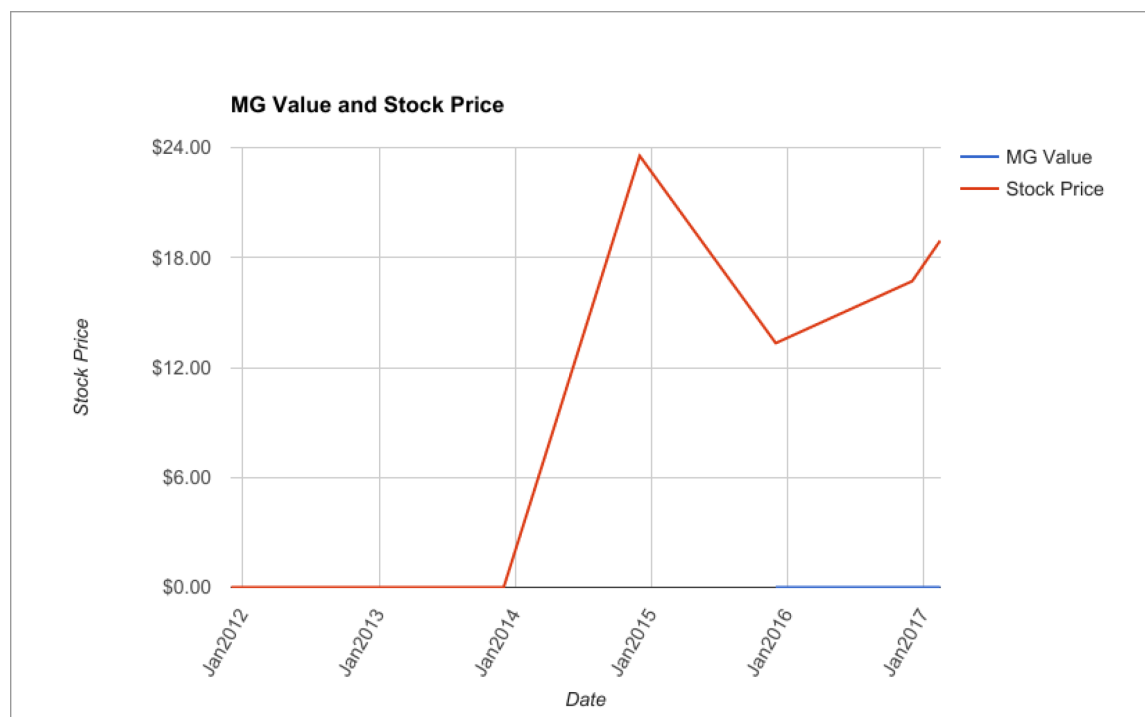
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$1.97
Graham Number	\$15.67
PEmg	-47.70
Current Ratio	2.22
PB Ratio	1.68
Current Dividend	\$0.00
Dividend Yield	0.00%
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		Next Fiscal Year Estimate	
	\$0.96		-\$0.40
Dec2016	-\$0.47	Dec2016	-\$0.85
Dec2015	-\$2.69	Dec2015	-\$0.72
Dec2014	-\$1.02	Dec2014	\$0.33
Dec2013	\$1.24	Dec2013	\$0.89
Dec2012	\$0.93	Dec2012	\$0.62
Dec2011	\$1.16	Dec2011	\$0.39
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information 12/1/2016	
Dec1999	\$0.00	Total Current Assets	\$330,100,000
Dec1998	\$0.00	Total Current Liabilities	\$149,000,000
Dec1997	\$0.00	Long-Term Debt	\$288,500,000
		Total Assets	\$1,515,100,000
		Intangible Assets	\$972,000,000
		Total Liabilities	\$506,600,000
		Shares Outstanding (Diluted Average)	89,774,000





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

[Cray Inc Valuation – Initial Coverage \\$CRAY](#)
[Kulicke and Soffa Industries Inc Valuation – Initial Coverage \\$KLIC](#)
[Keysight Technologies Inc Valuation – Initial Coverage \\$KEYS](#)
[Cohu Inc Valuation – Initial Coverage \\$COHU](#)
[Semtech Corporation Valuation – Initial Coverage \\$SMTC](#)
[Coherent Inc Valuation – Initial Coverage \\$COHR](#)
[Apple Inc Valuation – January 2017 \\$AAPL](#)
[Silicon Laboratories Valuation – Initial Coverage \\$SLAB](#)
[Itron Inc Valuation – Initial Coverage \\$ITRI](#)
[Celestica Inc Valuation – Initial Coverage \\$TSE:CLS](#)