

ModernGraham Valuation

Company Name:

Company Ticker NPK
Date of Analysis

National Presto
Industries Inc.

6/30/2018



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	\$872,418,120	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	6.33	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	-17.40%	Fail
5. Earnings Growth	PEmg < 20	28.63	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.58	Fail
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	6.33	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		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.33
MG Growth Estimate	-3.28%
MG Value	\$37.66
MG Value based on 3% Growth	\$62.80
MG Value based on 0% Growth	\$36.82
Market Implied Growth Rate	10.06%

MG Opinion

Current Price	\$124.00
% of Intrinsic Value	329.30%
Opinion	Overvalued
MG Grade	F

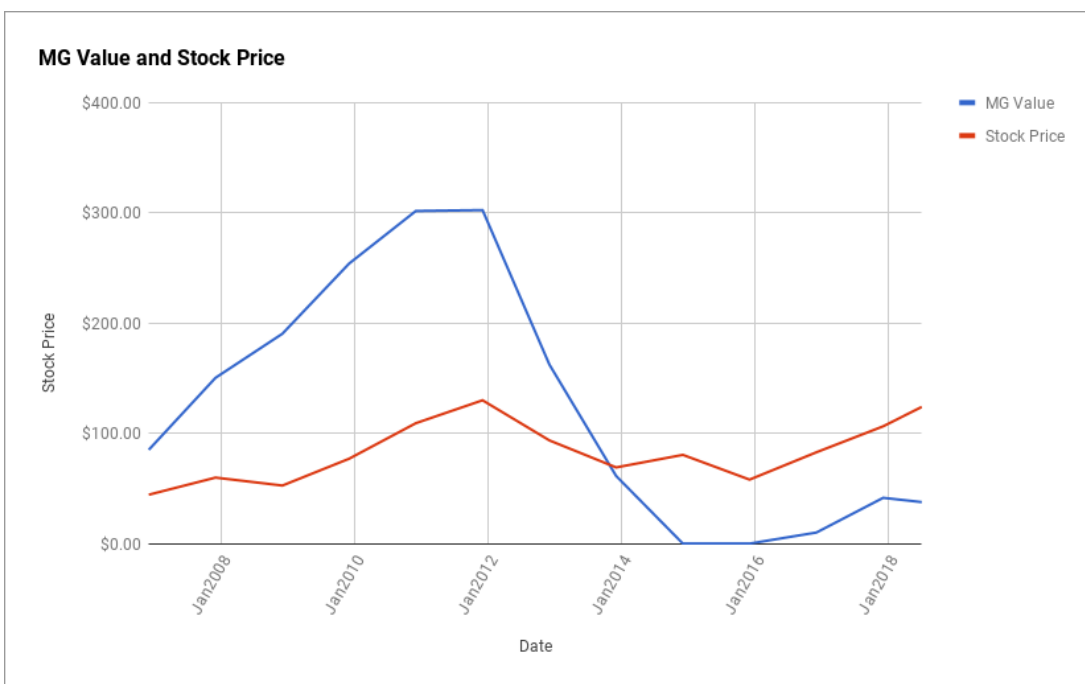
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$37.66
Graham Number	\$0.00
PEmg	28.63
Current Ratio	6.33
PB Ratio	2.58
Current Dividend	\$1.00
Dividend Yield	0.81%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$7.58	Dec2017	\$6.30
Dec2016	\$6.39	Dec2016	\$5.62
Dec2015	\$5.83	Dec2015	\$5.37
Dec2014	\$3.82	Dec2014	\$5.54
Dec2013	\$5.97	Dec2013	\$6.73
Dec2012	\$5.64	Dec2012	\$7.24
Dec2011	\$6.98	Dec2011	\$7.86
Dec2010	\$9.26	Dec2010	\$7.84
Dec2009	\$9.13	Dec2009	\$6.60
Dec2008	\$6.45	Dec2008	\$4.95
Dec2007	\$5.65	Dec2007	\$3.91
Dec2006	\$4.09	Dec2006	\$2.84
Dec2005	\$2.40	Dec2005	\$2.09
Dec2004	\$2.26	Dec2004	\$1.88
Dec2003	\$2.27	Dec2003	\$1.76
Dec2002	\$1.27	Dec2002	\$1.66
Dec2001	\$0.92	Balance Sheet Information 3/1/2018	
Dec2000	\$2.16	Total Current Assets	\$312,981,000
Dec1999	\$2.84	Total Current Liabilities	\$49,433,000
Dec1998	\$2.68	Long-Term Debt	\$0
		Total Assets	\$385,691,000
		Intangible Assets	\$14,071,000
		Total Liabilities	\$49,433,000
		Shares Outstanding (Diluted Average)	6,999,000





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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