

# ModernGraham Valuation

Company Name:

Cray Inc.

Company Ticker      CRAY

Date of Analysis

8/11/2018



## 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	\$911,171,772	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.15	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	-651.85%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	-19.34	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.35	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	4.15	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	-\$1.11
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$6.87</b>
MG Value based on 3% Growth	-\$16.09
MG Value based on 0% Growth	-\$9.43
Market Implied Growth Rate	-13.92%

### MG Opinion

Current Price	\$21.45
% of Intrinsic Value	312.34%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

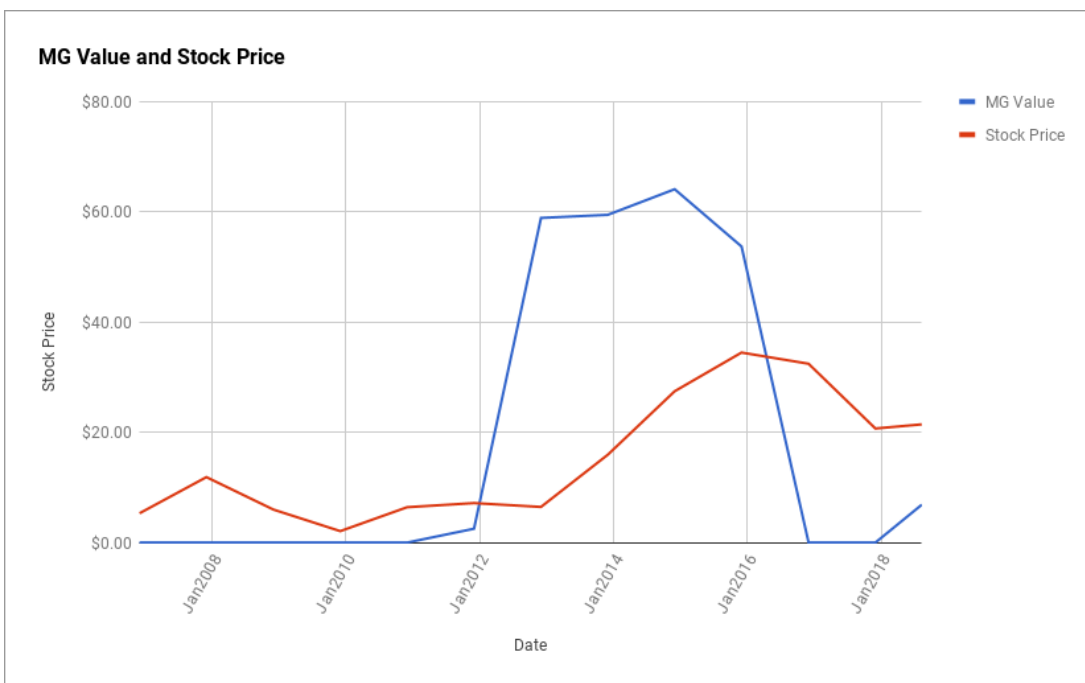
## Stage 3: Information for Further Research

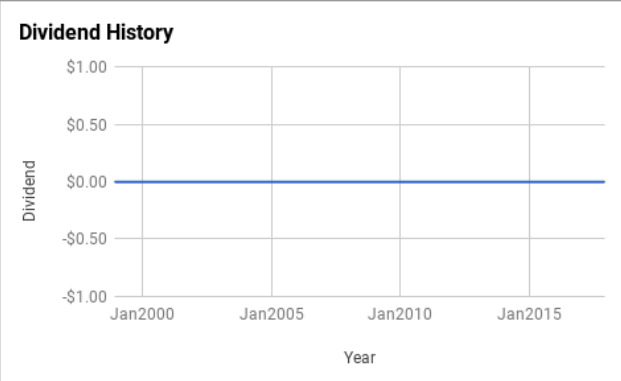
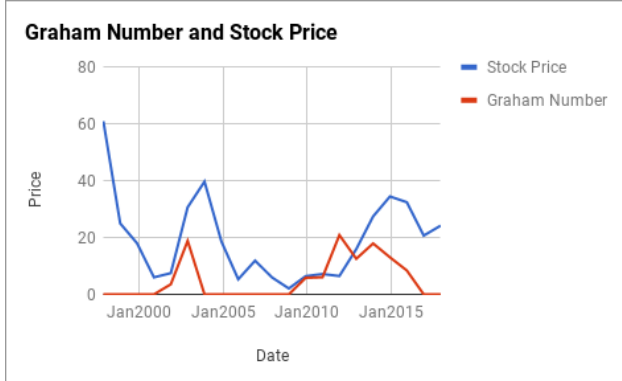
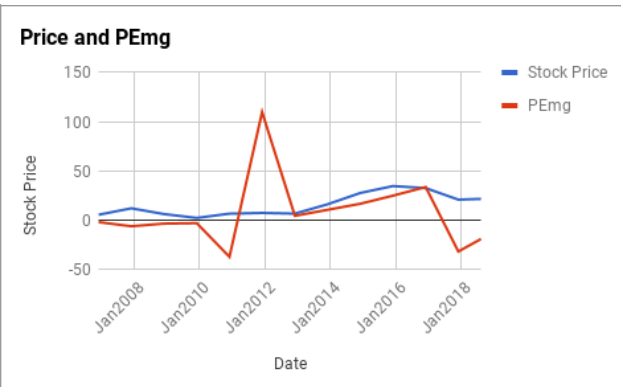
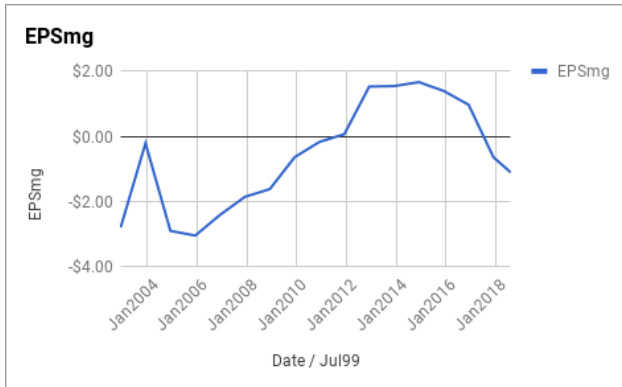
Net Current Asset Value (NCAV)	\$6.87
Graham Number	\$0.00
PEmg	-19.34
Current Ratio	4.15
PB Ratio	2.35
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### 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		Next Fiscal Year Estimate	
Dec2017	-\$1.40	Dec2017	-\$1.11
Dec2016	-\$3.33	Dec2016	-\$0.65
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	<b>Balance Sheet Information 6/1/2018</b>	
Dec1999	-\$3.12	Total Current Assets	\$427,882,000
Dec1998	-\$6.96	Total Current Liabilities	\$103,212,000
	-\$6.80	Long-Term Debt	\$0
		Total Assets	\$519,679,000
		Intangible Assets	\$17,942,000
		Total Liabilities	\$148,952,000
		Shares Outstanding (Diluted Average)	40,616,000





**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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[Semtech Corp Valuation – August 2018 \\$SMTC](#)  
[Cohu Inc Valuation – August 2018 \\$COHU](#)  
[Coherent Inc Valuation – August 2018 \\$COHR](#)  
[Teradata Corp Valuation – August 2018 \\$TDC](#)  
[Silicon Laboratories Inc Valuation – August 2018 \\$SLAB](#)  
[Iron Inc Valuation – July 2018 \\$ITRI](#)  
[Celestica Inc Valuation – July 2018 \\$TSE-CLS](#)  
[Ciena Corp Valuation – July 2018 \\$CIEN](#)  
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