

# ModernGraham Valuation

Company Name:

CTS Corporation

Company Ticker

CTS

Date of Analysis

8/30/2018



## 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	\$1,204,377,645	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.21	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	1177.27%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	42.85	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.36	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	2.21	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.45	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 Score		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.85
MG Growth Estimate	12.26%
<b>MG Value</b>	<b>\$28.10</b>
MG Value based on 3% Growth	\$12.33
MG Value based on 0% Growth	\$7.23
Market Implied Growth Rate	17.17%

### MG Opinion

Current Price	\$36.45
% of Intrinsic Value	129.73%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

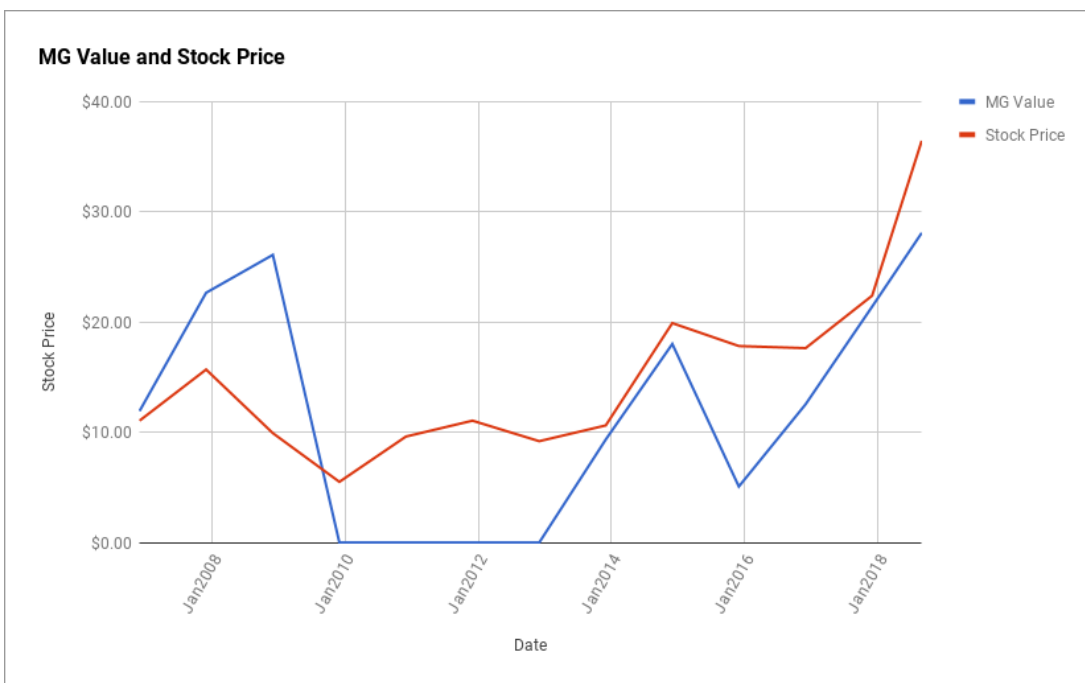
Net Current Asset Value (NCAV)	\$1.59
Graham Number	\$17.81
PEmg	42.85
Current Ratio	2.21
PB Ratio	3.36
Current Dividend	\$0.16
Dividend Yield	0.44%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

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[Morningstar](#)  
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Dec2017	\$1.35	Dec2017	\$0.85
Dec2016	\$0.43	Dec2016	\$0.56
Dec2015	\$1.03	Dec2015	\$0.58
Dec2014	\$0.21	Dec2014	\$0.37
Dec2013	\$0.78	Dec2013	\$0.47
Dec2012	-\$0.12	Dec2012	\$0.25
Dec2011	\$0.59	Dec2011	\$0.40
Dec2010	\$0.60	Dec2010	\$0.32
Dec2009	\$0.63	Dec2009	\$0.23
Dec2008	-\$1.01	Dec2008	\$0.13
Dec2007	\$0.81	Dec2007	\$0.68
Dec2006	\$0.66	Dec2006	\$0.59
Dec2005	\$0.63	Dec2005	\$0.47
Dec2004	\$0.53	Dec2004	\$0.21
Dec2003	\$0.53	Dec2003	\$0.14
Dec2002	\$0.36	Dec2002	\$0.16
Dec2001	-\$0.54	Dec2001	\$0.30
Dec2000	-\$1.61	<b>Balance Sheet Information</b>	
Dec1999	\$2.92	<b>6/1/2018</b>	
Dec1998	\$1.80	Total Current Assets	\$232,060,000
	\$1.28	Total Current Liabilities	\$105,146,000
		Long-Term Debt	\$57,000,000
		Total Assets	\$542,553,000
		Intangible Assets	\$134,614,000
		Total Liabilities	\$178,793,000
		Shares Outstanding (Diluted Average)	33,564,000





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

[6 Best Stocks for Value Investors This Week – 3/11/17](#)  
[CTS Corporation Valuation – Initial Coverage \\$CTS](#)

Other  
ModernGraham  
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[Knowles Corp Valuation – August 2018 \\$KN](#)  
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[Coherent Inc Valuation – August 2018 \\$COHR](#)  
[Teradata Corp Valuation – August 2018 \\$TDC](#)