

# ModernGraham Valuation

Company Name:

Kaman Corporation

Company Ticker KAMN

Date of Analysis

8/4/2018



## 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	\$1,848,561,867	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.06	Pass
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	51.54%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	27.99	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.87	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	3.06	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.67	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

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.33
MG Growth Estimate	2.38%
<b>MG Value</b>	<b>\$30.94</b>
MG Value based on 3% Growth	\$33.85
MG Value based on 0% Growth	\$19.84
Market Implied Growth Rate	9.74%

### MG Opinion

Current Price	\$65.34
% of Intrinsic Value	211.16%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.90
Graham Number	\$39.66
PEmg	27.99
Current Ratio	3.06
PB Ratio	2.87
Current Dividend	\$0.80
Dividend Yield	1.22%
Number of Consecutive Years of Dividend Growth	1

### 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	\$3.06	Dec2017	\$2.33
Dec2016	\$1.75	Dec2016	\$1.99
Dec2015	\$2.10	Dec2015	\$2.11
Dec2014	\$2.17	Dec2014	\$2.10
Dec2013	\$2.08	Dec2013	\$2.02
Dec2012	\$2.10	Dec2012	\$1.90
Dec2011	\$2.07	Dec2011	\$1.74
Dec2010	\$1.93	Dec2010	\$1.60
Dec2009	\$1.36	Dec2009	\$1.46
Dec2008	\$1.27	Dec2008	\$1.45
Dec2007	\$1.40	Dec2007	\$1.36
Dec2006	\$2.23	Dec2006	\$1.19
Dec2005	\$1.30	Dec2005	\$0.50
Dec2004	\$0.57	Dec2004	\$0.06
Dec2003	-\$0.52	Dec2003	-\$0.07
Dec2002	\$0.86	Dec2002	\$0.27
Dec2001	-\$1.50	Dec2001	\$0.17
Dec2000	\$0.52	<b>Balance Sheet Information 3/1/2018</b>	
Dec1999	\$1.57	Total Current Assets	\$761,656,000
Dec1998	\$1.05	Total Current Liabilities	\$248,541,000
	\$1.23	Long-Term Debt	\$341,591,000
		Total Assets	\$1,485,761,000
		Intangible Assets	\$469,957,000
		Total Liabilities	\$843,432,000
		Shares Outstanding (Diluted Average)	28,168,000





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 [Kaman Corporation Valuation – Initial Coverage \\$KAMN](#)

Other  
ModernGraham  
posts about related  
companies [Raytheon Co Valuation – June 2018 \\$RTN](#)  
[General Dynamics Corp Valuation – June 2018 \\$GD](#)  
[TransDigm Group Inc Valuation – June 2018 \\$TDG](#)  
[Northrop Grumman Corp Valuation – May 2018 \\$NOC](#)  
[Rockwell Collins Inc Valuation – May 2018 \\$COL](#)  
[L3 Technologies Inc Valuation – March 2018 \\$LLL](#)  
[Textron Inc Valuation – March 2018 \\$TXT](#)  
[Lockheed Martin Corp Valuation – February 2018 \\$LMT](#)  
[United Technologies Corp Valuation – February 2018 \\$UTX](#)  
[Triumph Group Inc Valuation – Initial Coverage \\$TGI](#)