

ModernGraham Valuation

Company Name:

KLX Inc

Company Ticker KLXI

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	\$3,694,982,546	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	6.38	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	20766.67%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	79.99	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.61	Pass

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	6.38	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.67	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.91
MG Growth Estimate	15.00%
MG Value	\$35.01
MG Value based on 3% Growth	\$13.19
MG Value based on 0% Growth	\$7.73
Market Implied Growth Rate	35.75%

MG Opinion

Current Price	\$72.74
% of Intrinsic Value	207.77%
Opinion	Overvalued
MG Grade	F

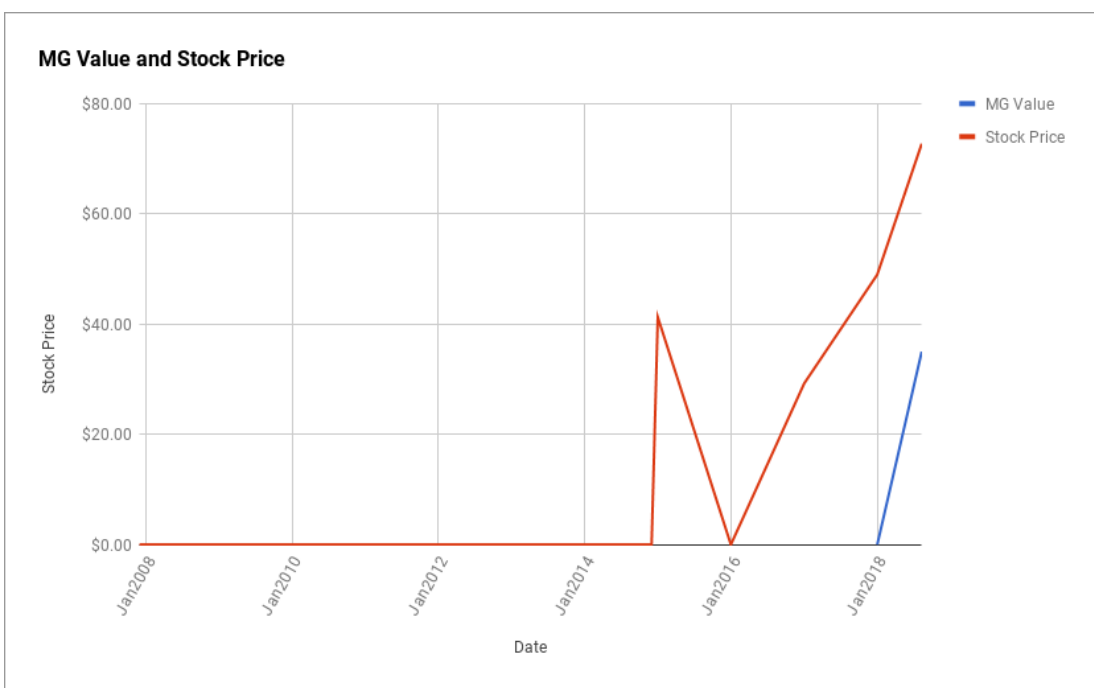
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$10.72
Graham Number	\$65.75
PEmg	79.99
Current Ratio	6.38
PB Ratio	1.61
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	\$4.30	Next Fiscal Year Estimate	\$0.91
Jan2018	\$1.04	Jan2018	-\$0.77
Jan2017	\$0.92	Jan2017	-\$1.44
Jan2016	-\$7.39	Jan2016	-\$2.13
Jan2015	\$0.00	Jan2015	\$0.45
Dec2014	\$1.68	Dec2014	\$0.56
Dec2013	\$0.00	Dec2013	\$0.00
Dec2012	\$0.00	Dec2012	\$0.00
Dec2011	\$0.00	Dec2011	\$0.00
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	Balance Sheet Information 4/1/2018	
Dec2001	\$0.00	Total Current Assets	\$2,109,400,000
Dec2000	\$0.00	Total Current Liabilities	\$330,400,000
Dec1999	\$0.00	Long-Term Debt	\$1,185,200,000
		Total Assets	\$3,857,100,000
		Intangible Assets	\$1,349,900,000
		Total Liabilities	\$1,563,500,000
		Shares Outstanding (Diluted Average)	50,900,000





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 [KLX Inc Valuation – Initial Coverage \\$K LXI](#)

ModernGraham posts about the company

- 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](#)