

# ModernGraham Valuation

Company Name:

Cubic Corporation

Company Ticker CUB

Date of Analysis

9/1/2018



## 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	\$2,109,738,249	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.22	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	-99.03%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	228.01	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.07	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	2.22	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		Pass
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	\$0.33
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$2.03</b>
MG Value based on 3% Growth	\$4.81
MG Value based on 0% Growth	\$2.82
Market Implied Growth Rate	109.76%

### MG Opinion

Current Price	\$75.70
% of Intrinsic Value	3720.84%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>F</b>

## Stage 3: Information for Further Research

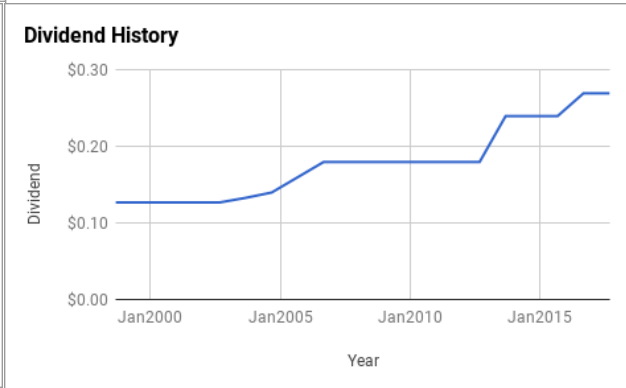
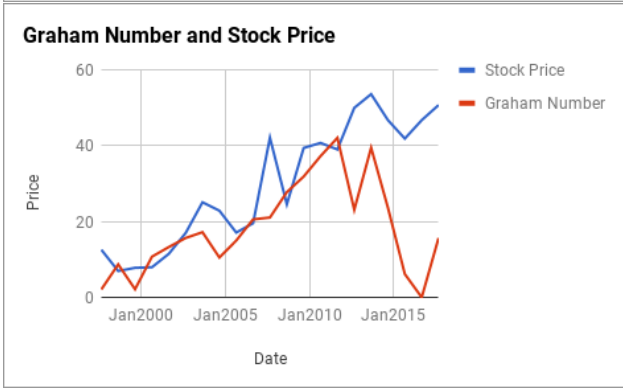
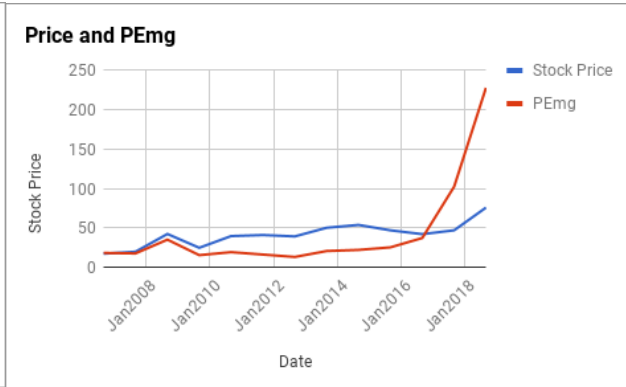
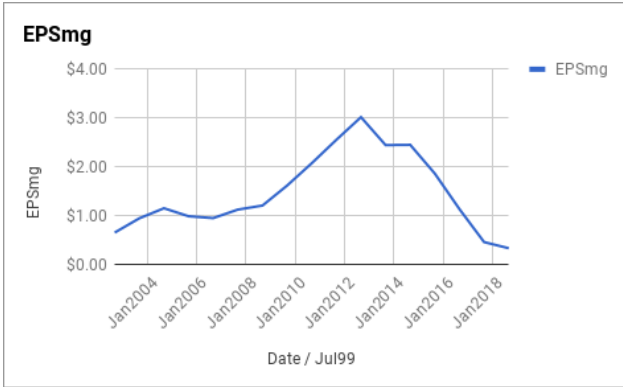
Net Current Asset Value (NCAV)	\$2.03
Graham Number	\$15.68
PEmg	228.01
Current Ratio	2.22
PB Ratio	3.07
Current Dividend	\$0.27
Dividend Yield	0.36%
Number of Consecutive Years of Dividend Growth	0

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<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	\$0.43	Next Fiscal Year Estimate	\$0.33
Sep2017	-\$0.41	Sep2017	\$0.46
Sep2016	\$0.06	Sep2016	\$1.13
Sep2015	\$0.85	Sep2015	\$1.86
Sep2014	\$2.59	Sep2014	\$2.45
Sep2013	\$0.94	Sep2013	\$2.45
Sep2012	\$3.64	Sep2012	\$3.02
Sep2011	\$3.22	Sep2011	\$2.55
Sep2010	\$2.70	Sep2010	\$2.07
Sep2009	\$2.36	Sep2009	\$1.62
Sep2008	\$1.38	Sep2008	\$1.21
Sep2007	\$1.56	Sep2007	\$1.12
Sep2006	\$0.90	Sep2006	\$0.95
Sep2005	\$0.44	Sep2005	\$0.99
Sep2004	\$1.38	Sep2004	\$1.15
Sep2003	\$1.37	Sep2003	\$0.94
Sep2002	\$1.10	Sep2002	\$0.65
Sep2001	\$0.78	<b>Balance Sheet Information 6/1/2018</b>	
Sep2000	\$0.03	Total Current Assets	\$613,904,000
Sep1999	\$0.52	Total Current Liabilities	\$276,826,000
Sep1998	\$0.03	Long-Term Debt	\$226,347,000
		Total Assets	\$1,234,097,000
		Intangible Assets	\$402,772,000
		Total Liabilities	\$558,212,000
		Shares Outstanding (Diluted Average)	27,374,000





**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** [Cubic Corporation Valuation – Initial Coverage \\$CUB](#)

**Other ModernGraham posts about related companies** [KLX Inc Valuation – August 2018 \\$KLXI](#)  
[Kaman Corp Valuation – August 2018 \\$KAMN](#)  
[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](#)