

ModernGraham Valuation

Company Name:

Harris Corporation

Company Ticker HRS

Date of Analysis

12/5/2018



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	\$16,342,125,676	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.17	Fail
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	99.89%	Pass
5. Earnings Growth	PEmg < 20	24.58	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.17	Fail
7. Moderate Price to Assets			

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	1.17	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	10.27	Fail
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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.66
MG Growth Estimate	14.26%
MG Value	\$209.33
MG Value based on 3% Growth	\$82.01
MG Value based on 0% Growth	\$48.08
Market Implied Growth Rate	8.04%

MG Opinion

Current Price	\$139.04
% of Intrinsic Value	66.42%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$36.13
Graham Number	\$70.70
PEmg	24.58
Current Ratio	1.17
PB Ratio	5.17
Current Dividend	\$2.28
Dividend Yield	1.64%
Number of Consecutive Years of Dividend Growth	17

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		Next Fiscal Year Estimate	\$5.66
Jun2018	\$5.92	Jun2018	\$4.42
Jun2017	\$4.44	Jun2017	\$3.52
Jun2016	\$2.59	Jun2016	\$2.83
Jun2015	\$3.11	Jun2015	\$2.90
Jun2014	\$4.95	Jun2014	\$2.87
Jun2013	\$1.01	Jun2013	\$1.92
Jun2012	\$0.26	Jun2012	\$2.42
Jun2011	\$4.60	Jun2011	\$3.39
Jun2010	\$4.28	Jun2010	\$2.72
Jun2009	\$0.28	Jun2009	\$1.97
Jun2008	\$3.26	Jun2008	\$2.60
Jun2007	\$3.43	Jun2007	\$2.05
Jun2006	\$1.71	Jun2006	\$1.25
Jun2005	\$1.46	Jun2005	\$0.93
Jun2004	\$0.97	Jun2004	\$0.60
Jun2003	\$0.45	Jun2003	\$0.39
Jun2002	\$0.62	Balance Sheet Information 9/1/2018	
Jun2001	\$0.16	Total Current Assets	\$2,288,000,000
Jun2000	\$0.13	Total Current Liabilities	\$1,956,000,000
Jun1999	\$0.34	Long-Term Debt	\$3,410,000,000
		Total Assets	\$9,889,000,000
		Intangible Assets	\$6,333,000,000
		Total Liabilities	\$6,645,000,000
		Shares Outstanding (Diluted Average)	120,600,000





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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[Comtech Telecommunications Corp Valuation – August 2018 \\$CMTL](#)
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