# **ModernGraham Valuation**

# **Company Name:**

**Huntington Ingalls** Industries Inc



Company Ticker Date of Analysis 2/15/2019

## 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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$9,109,897,923 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.14 Fail
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	
5. Earnings Growth	beginning and end	6282.54% Pass
Moderate PEmg Ratio	PEmg < 20	17.17 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.16 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.14 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.62 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	Pass
	Score	

Suitability

Defensive No Nο Enterprising

# Stage 2: Determination of Intrinsic Value

EPSmg	\$12.66
MG Growth Estimate	15.00%
MG Value	\$487.38
MG Value based on 3% Growth	\$183.56
MG Value based on 0% Growth	\$107.60
Market Implied Growth Rate	4.34%

MG Opinion

Undervalued	
44	.61%
\$2	17.42
	44

C-MG Grade

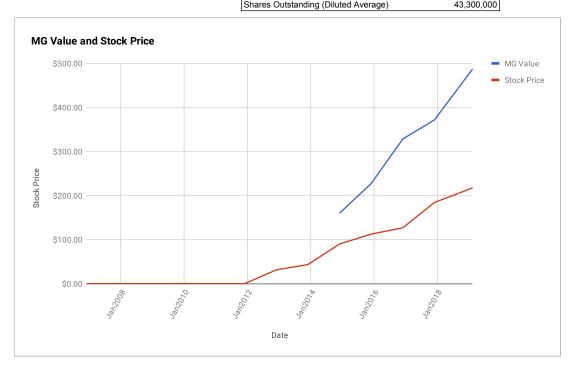
## Stage 3: Information for Further Research

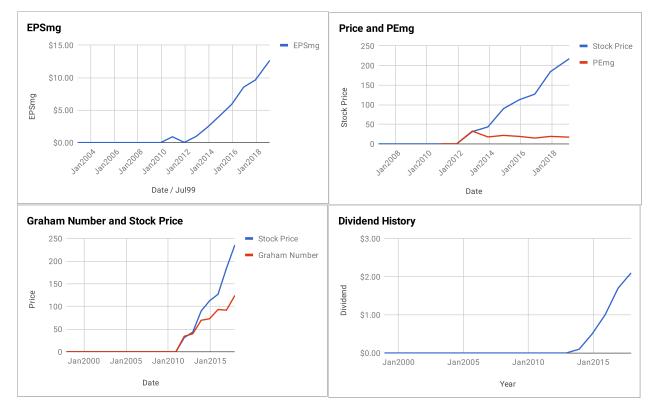
Net Current Asset Value (NCAV)	-\$58.08
Graham Number	\$124.28
PEmg	17.17
Current Ratio	1.14
PB Ratio	5.16
Current Dividend	\$2.52
Dividend Yield	1.16%
Number of Consecutive Years of Dividend Growth	6

Useful Links: ModernGraham tagged articles

Morningstar Google Finance MSN Money Yahoo Finance Seeking Alpha **GuruFocus SEC Filings** 

EPS History		EPSmg History	
Next Fiscal Year	0.17.04		0.40.00
Estimate	•	Next Fiscal Year Estimate	\$12.66
Dec2017	\$10.46	Dec2017	\$9.66
Dec2016	\$12.14	Dec2016	\$8.53
Dec2015	\$8.36	Dec2015	\$5.90
Dec2014	\$6.86	Dec2014	\$4.16
Dec2013	\$5.18	Dec2013	\$2.45
Dec2012	\$2.91	Dec2012	\$0.96
Dec2011	-\$2.05	Dec2011	\$0.03
Dec2010	\$2.68	Dec2010	\$0.89
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	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information	9/1/2018
Dec2000	\$0.00	Total Current Assets	\$1,859,000,000
Dec1999	\$0.00	Total Current Liabilities	\$1,631,000,000
Dec1998	\$0.00	Long-Term Debt	\$1,282,000,000
		Total Assets	\$6,199,000,000
		Intangible Assets	\$1,697,000,000
		Total Liabilities	\$4,374,000,000
		Shares Outstanding (Diluted Average)	43,300,000





#### 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 #N/A

Other ModernGraham posts about related companies

Textron Inc Valuation – January 2019 \$TXT
Lockheed Martin Corp Valuation – January 2019 \$LMT
United Technologies Corp Valuation – November 2018 \$UTX
Boeing Co Valuation – November 2018 \$BA
Axon Enterprises Inc Valuation – October 2018 \$AAXN
Cubic Corp Valuation – September 2018 \$CUB
KLX Inc Valuation – August 2018 \$KLXI
Kaman Corp Valuation – August 2018 \$KAMN

L3 Technologies Inc Valuation - January 2019 \$LLL

Raytheon Co Valuation - June 2018 \$RTN