

Ticker:VAR		Reported by: Harrison Baumbaugh		Date:May 14, 2014		Comments	
	Last Review SSG Data May 2013		Current SSG Data May 2014				
PRICE	\$70		\$82				
Sales Projection	9.5%		9%		Missed, Exceeded or Met Expectations?		Backlog rose to \$2.8 B Last 5 yrs sales growth rate is 7.7%
Earnings Projection	11.5%		8%		Missed, Exceeded or Met Expectations?		Last 5 yrs earnings growth rate 11.1%; used Morningstar and company's forecast
Started Projection from	EoT L	Up	EoT L	Down			
	L A D	Up	L A D	Down			
	L Q D	Up	L Q D	Down			
Section 2							
2A (U,D or E)PreTax Profit	21.23%		20.8%		Significant Changes?		
2B, ROE etc.	27.25%		24.7%		Significant Changes?		
2C,Debt Equity Ratio	.4%		.3%		Strong		
Section 3							
Average P/E	16.6		16.6		Significant Changes?		Same
Current P/E	18		21.2		Significant Changes?		Same
Relative P/E Value	.98		1.25		Significant Changes?		Same
Section 4							
Selected High P/E	19.1		19.3		Significant Changes?		Same
Selected Low P/E	13.38		14.3		Significant Changes?		Same
Selected Low Price	70		55		Significant Changes?		LOWER
USDS Ratio	3:1		1.1:1		Significant Changes?		YES
Section 5C							
Total Return	12.52%		7.2%		Down 5.3% Value Line projects 16.5% in 5 years		
PERT-A (Quarter Trend Analysis) (Enter Data from Percent of Changes Columns)							
	From QUARTERLY DATA Columns (left side)			From LAST 12 MONTHS DATA COLUMNS (right side)			
	Latest Quarter		Quarter - Year Ago		TTM ending latest qtr		TTM - Year Ago
Earnings	.88 = -13.6%		1.02 = +8.5%		\$3.90 = -.4%		+\$3.91 =11.3%
PTP	19.69% of sales \$128.1M= - 4.7%		20.68% of sales \$156.4M=+8.4%		19.7% of sales \$588.1M = -4.7%		21.2% of sales \$617.0M = +7.5%
Sales	\$778.5M = 1.3%		\$768.4M = +6.7%		\$2986.1 = 2.7%		\$2908.2 = +7.2%
PERT-A Comments	Current Earnings reflect \$.16 charge due to patent litigation suit with Univ Pittsburgh.						
Were the company's own expectations met? For year end in Oct 2014 a revenue growth of 6-8% over prior year; EPS of 4.06 to 4.18.							

Were there any significant judgment changes?

Is the company currently an SSG BUY, SELL or HOLD? SSG has VAR in the SOLID HOLD range.

What is your recommendation VAR is a hold.

Additional comments: With stock buy back program instead of dividend payout, stock should be in 90-100 range.