ModernGraham Valuation

Company Name: QUALCOMM, Inc.

Company Ticker	QCOM
Date of Analysis	8/18/2016

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	$93,213,096,468	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.07	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	143.75%	Pass
6. Moderate PEmg Ratio	PEmg < 20	16.50	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.06	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	3.07	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.71	Pass
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

Suitability

Defensive	**Yes**
Enterprising	**Yes**

Stage 2: Determination of Intrinsic Value

EPSmg		$3.82
MG Growth Estimate		8.04%
MG Value		**$93.92**
MG Value based on 3% Growth		$55.40
MG Value based on 0% Growth		$32.48
Market Implied Growth Rate		4.00%

MG Opinion

Current Price		$63.04
% of Intrinsic Value		67.12%
Opinion	**Undervalued**	
MG Grade	**B+**	

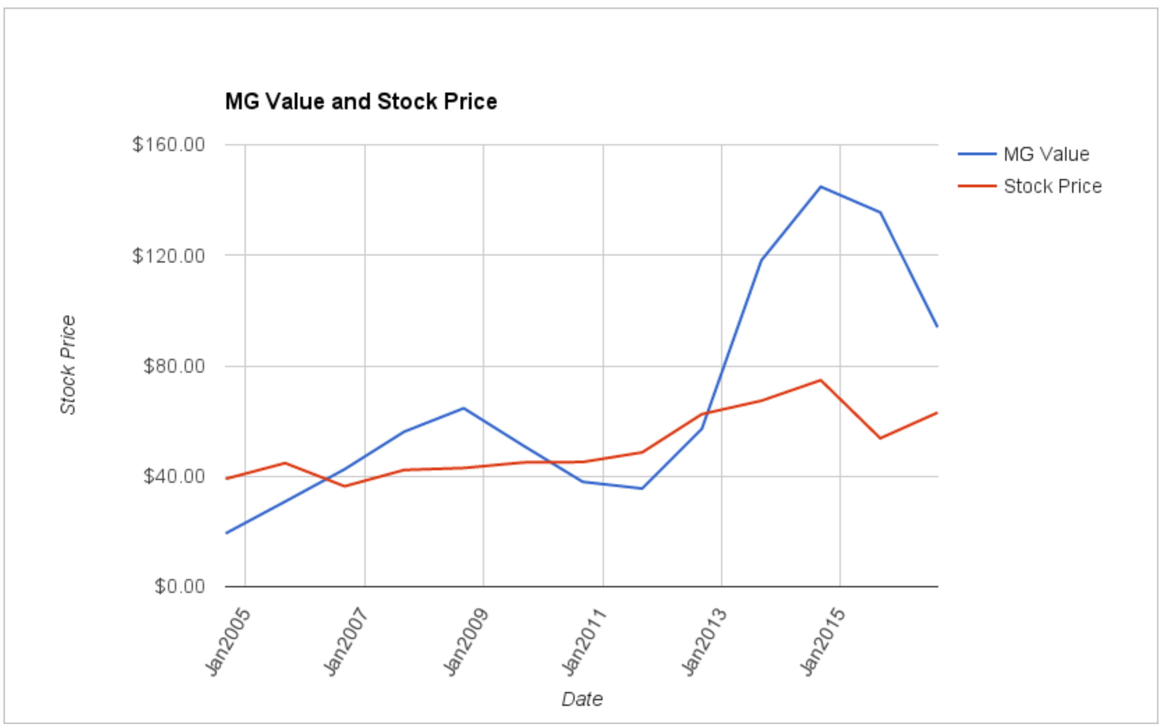
Stage 3: Information for Further Research

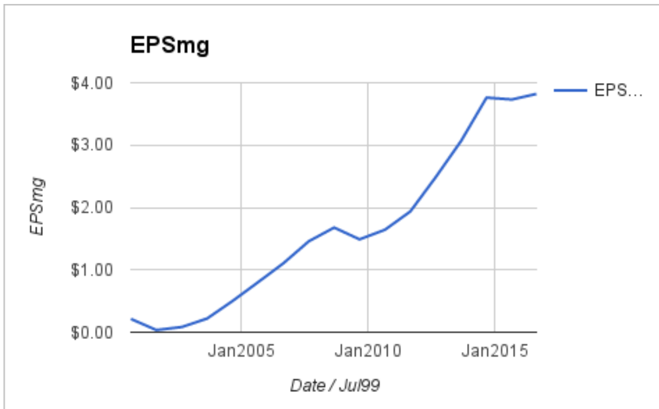
Net Current Asset Value (NCAV)	$0.57
Graham Number	$42.34
PEmg	16.50
Current Ratio	3.07
PB Ratio	3.06
Current Dividend	$1.97
Dividend Yield	3.13%
Number of Consecutive Years of Dividend Growth	14

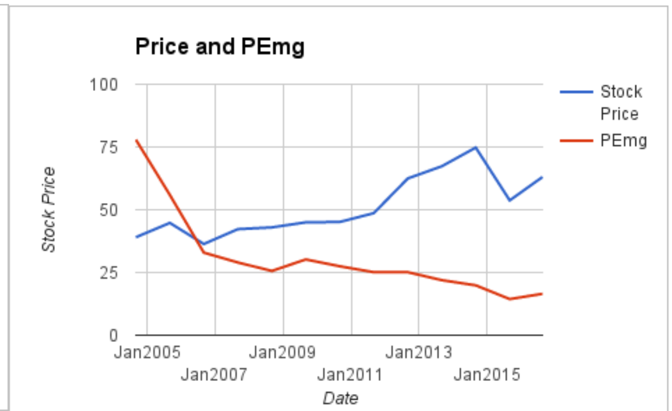
Useful Links:

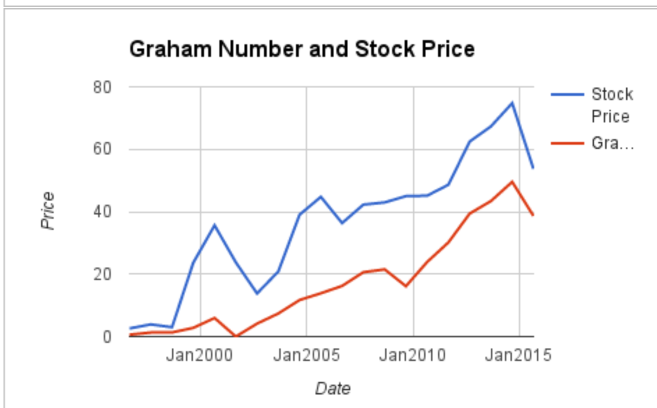
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

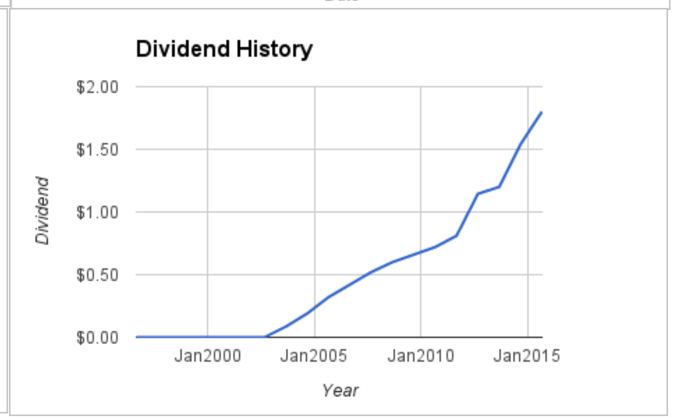
EPS History		**EPSmg History**	
Next Fiscal Year Estimate	$3.83	Next Fiscal Year Estimate	$3.82
Sep2015	$3.22	Sep2015	$3.73
Sep2014	$4.65	Sep2014	$3.76
Sep2013	$3.91	Sep2013	$3.07
Sep2012	$3.51	Sep2012	$2.49
Sep2011	$2.52	Sep2011	$1.94
Sep2010	$1.96	Sep2010	$1.64
Sep2009	$0.95	Sep2009	$1.49
Sep2008	$1.90	Sep2008	$1.68
Sep2007	$1.95	Sep2007	$1.46
Sep2006	$1.44	Sep2006	$1.10
Sep2005	$1.26	Sep2005	$0.80
Sep2004	$1.03	Sep2004	$0.50
Sep2003	$0.51	Sep2003	$0.22
Sep2002	$0.22	Sep2002	$0.08
Sep2001	-$0.38	Sep2001	$0.04
Sep2000	$0.43	Sep2000	$0.21
Sep1999	$0.16	**Balance Sheet Information**	**6/1/2016**
Sep1998	$0.09	Total Current Assets	$20,979,000,000
Sep1997	$0.08	Total Current Liabilities	$6,843,000,000
Sep1996	$0.02	Long-Term Debt	$10,024,000,000
		Total Assets	$50,786,000,000
		Intangible Assets	$9,326,000,000
		Total Liabilities	$20,139,000,000
		Shares Outstanding (Diluted Average)	1,486,000,000











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

- 10 Undervalued Companies for the Defensive Dividend Stock Investor – July 2016
- 10 Undervalued Companies for the Defensive Dividend Stock Investor – June 2016
- 15 Best Stocks For Value Investors This Week – 2/13/16
- 5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – February 2016
- Qualcomm Inc Valuation – February 2016 $QCOM

Other ModernGraham posts about related companies

- Verisign Inc Valuation – August 2016 $VRSN
- Akamai Technologies Inc Valuation – August 2016 $AKAM
- Motorola Solutions Inc Valuation – August 2016 $MSI
- F5 Networks Inc Valuation – July 2016 $FFIV
- Computer Sciences Corp Valuation – July 2016 $CSC
- Infosys Ltd Valuation – July 2016 $INFY
- Cognizant Technology Solutions Corp Valuation – July 2016 $CTSH
- Total System Services Inc Valuation – May 2016 $TSS
- Qualcomm Inc Valuation – February 2016 $QCOM
- Motorola Solutions Inc Valuation – February 2016 Update $MSI