

ModernGraham Valuation

Company Name:

Company Ticker SMCI

Date of Analysis

1/28/2017

Super Micro
Computer, Inc.



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	\$1,205,897,364	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.18	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	179.53%	Pass
6. Moderate PEmg Ratio	PEmg < 20	18.85	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.83	Pass

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	2.18	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.06	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.42
MG Growth Estimate	15.00%
MG Value	\$54.54
MG Value based on 3% Growth	\$20.54
MG Value based on 0% Growth	\$12.04
Market Implied Growth Rate	5.17%

MG Opinion

Current Price	\$26.70
% of Intrinsic Value	48.95%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$10.02
Graham Number	\$21.83
PEmg	18.85
Current Ratio	2.18
PB Ratio	1.83
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$1.36	Next Fiscal Year Estimate	\$1.42
Jun2016	\$1.39	Jun2016	\$1.35
Jun2015	\$2.03	Jun2015	\$1.23
Jun2014	\$1.16	Jun2014	\$0.82
Jun2013	\$0.48	Jun2013	\$0.64
Jun2012	\$0.67	Jun2012	\$0.70
Jun2011	\$0.93	Jun2011	\$0.69
Jun2010	\$0.65	Jun2010	\$0.57
Jun2009	\$0.41	Jun2009	\$0.51
Jun2008	\$0.65	Jun2008	\$0.52
Jun2007	\$0.57	Jun2007	\$0.41
Jun2006	\$0.53	Jun2006	\$0.30
Jun2005	\$0.24	Jun2005	\$0.17
Jun2004	\$0.17	Jun2004	\$0.11
Jun2003	\$0.14	Jun2003	\$0.07
Jun2002	\$0.09	Jun2002	\$0.03
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00		
Dec1999	\$0.00		
Dec1998	\$0.00		
Dec1997	\$0.00		
		Balance Sheet Information	12/1/2016
		Total Current Assets	\$1,113,808,000
		Total Current Liabilities	\$509,762,000
		Long-Term Debt	\$34,732,000
		Total Assets	\$1,349,856,000
		Intangible Assets	\$0
		Total Liabilities	\$597,656,000
		Shares Outstanding (Diluted Average)	51,521,000





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
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posts about related
companies

- [Akamai Technologies Inc Valuation – January 2017 \\$AKAM](#)
- [Motorola Solutions Inc Valuation – December 2016 \\$MSI](#)
- [Science Applications International Corp Valuation – Initial Coverage \\$SAIC](#)
- [Axiom Corporation Valuation – November 2016 \\$ACXM](#)
- [ACI Worldwide Inc Valuation – November 2016 \\$ACIW](#)
- [Equinix Inc Valuation – August 2016 \\$EQIX](#)
- [Qualcomm Inc Valuation – August 2016 \\$QCOM](#)
- [Verisign Inc Valuation – August 2016 \\$VRSN](#)
- [Akamai Technologies Inc Valuation – August 2016 \\$AKAM](#)
- [Motorola Solutions Inc Valuation – August 2016 \\$MSI](#)