

ModernGraham Valuation

Company Name:

QUALCOMM, Inc.

Company Ticker

QCOM

Date of Analysis

2/9/2017



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	\$77,563,427,346	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.97	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	131.39%	Pass
5. Earnings Growth	PEmg < 20	13.54	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.53	Pass
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	1.97	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.28	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.91
MG Growth Estimate	4.10%
MG Value	\$65.28
MG Value based on 3% Growth	\$56.66
MG Value based on 0% Growth	\$33.21
Market Implied Growth Rate	2.52%

MG Opinion

Current Price	\$52.89
% of Intrinsic Value	81.02%
Opinion	Fairly Valued
MG Grade	B

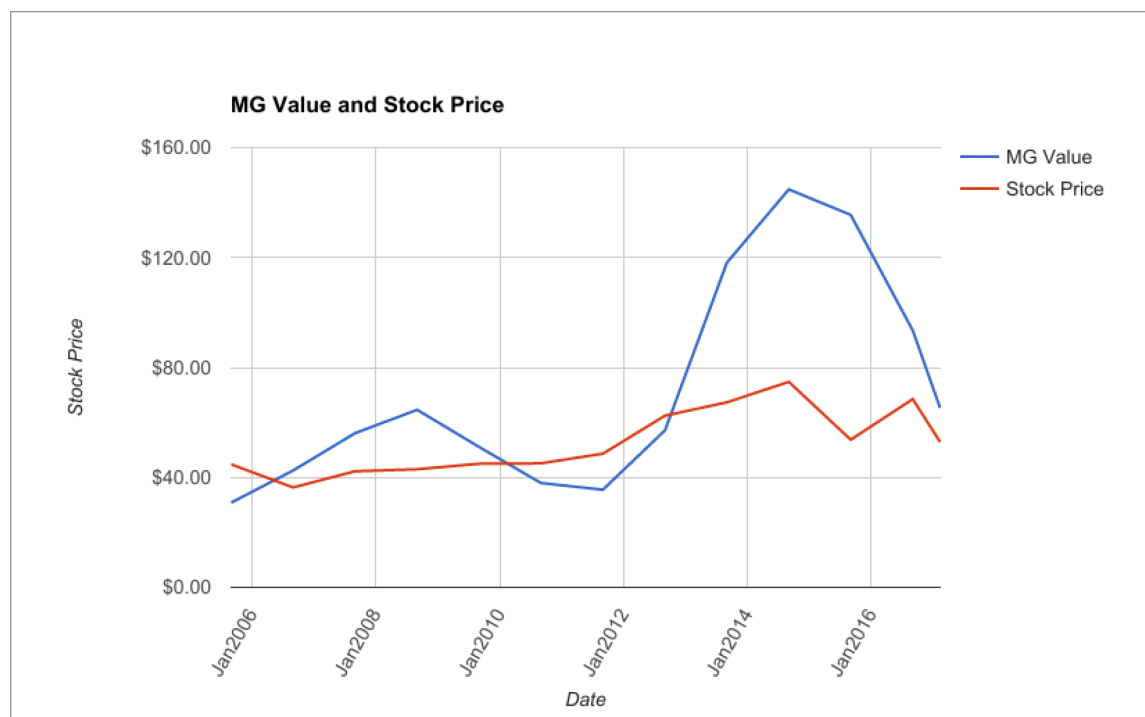
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$3.59
Graham Number	\$44.13
PEmg	13.54
Current Ratio	1.97
PB Ratio	2.53
Current Dividend	\$2.07
Dividend Yield	3.91%
Number of Consecutive Years of Dividend Growth	15

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	
Sep2016	\$4.10	Sep2016	\$3.91
Sep2015	\$3.81	Sep2015	\$3.81
Sep2014	\$3.22	Sep2014	\$3.73
Sep2013	\$4.65	Sep2013	\$3.76
Sep2012	\$3.91	Sep2012	\$3.07
Sep2011	\$3.51	Sep2011	\$2.49
Sep2010	\$2.52	Sep2010	\$1.94
Sep2009	\$1.96	Sep2009	\$1.64
Sep2008	\$0.95	Sep2008	\$1.49
Sep2007	\$1.90	Sep2007	\$1.68
Sep2006	\$1.95	Sep2006	\$1.46
Sep2005	\$1.44	Sep2005	\$1.10
Sep2004	\$1.26	Sep2004	\$0.80
Sep2003	\$1.03	Sep2003	\$0.50
Sep2002	\$0.51	Sep2003	\$0.22
Sep2001	\$0.22	Sep2002	\$0.08
Sep2000	-\$0.38	Sep2001	\$0.04
Sep1999	\$0.43	Balance Sheet Information 12/1/2016	
Sep1998	\$0.16	Total Current Assets	\$15,779,000,000
Sep1997	\$0.09	Total Current Liabilities	\$7,994,000,000
	\$0.08	Long-Term Debt	\$9,935,000,000
		Total Assets	\$52,366,000,000
		Intangible Assets	\$9,024,000,000
		Total Liabilities	\$21,151,000,000
		Shares Outstanding (Diluted Average)	1,495,000,000





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](#)

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companies

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[Super Micro Computer Inc Valuation – Initial Coverage \\$SMCI](#)
[Teradata Corp Valuation – January 2017 \\$TDC](#)
[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](#)