

# ModernGraham Valuation

Company Name:

Intel Corporation

Company Ticker INTC

Date of Analysis

8/18/2015



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

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	2.10
MG Growth Estimate	3.64%
<b>MG Value</b>	<b>\$33.09</b>
MG Value based on 3% Growth	\$30.41
MG Value based on 0% Growth	\$17.83
Market Implied Growth Rate	2.65%

### MG Opinion

Current Price	\$28.94
% of Intrinsic Value	87.47%
<b>Opinion</b>	<b>Fairly Valued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$1.24
PEmg	13.80
Current Ratio	1.97
PB Ratio	2.46
Dividend Yield	3.21%
Number of Consecutive Years of Dividend Growth	1

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.98	Next Fiscal Year Estimate	\$2.10
Dec14	\$2.31	Dec14	\$2.15
Dec13	\$1.89	Dec13	\$2.00
Dec12	\$2.13	Dec12	\$1.91
Dec11	\$2.39	Dec11	\$1.69
Dec10	\$2.01	Dec10	\$1.27
Dec09	\$0.77	Dec09	\$0.95
Dec08	\$0.92	Dec08	\$1.06
Dec07	\$1.18	Dec07	\$1.11
Dec06	\$0.86	Dec06	\$1.04
Dec05	\$1.40	Dec05	\$1.02
Dec04	\$1.16	Dec04	\$0.83
Dec03	\$0.85	Dec03	\$0.72
Dec02	\$0.46	Dec02	\$0.70
Dec01	\$0.19	Dec01	\$0.86
Dec00	\$1.51	Dec00	\$1.13
Dec99	\$1.05	Dec99	\$0.91
Dec98	\$0.87	<b>Balance Sheet Information Jun15</b>	
Dec97	\$0.97	Total Current Assets	\$26,710,000,000
Dec96	\$0.73	Total Current Liabilities	\$13,529,000,000
Dec95	\$0.51	Long-Term Debt	\$12,116,000,000
		Total Assets	\$90,492,000,000
		Intangible Assets	\$15,263,000,000
		Total Liabilities	\$32,797,000,000
		Shares Outstanding (Diluted Average)	4,909,000,000



**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**

[30 Companies in the Spotlight This Week – 5/23/15](#)  
[Intel Corporation Quarterly Valuation – May 2015 \\$INTC](#)  
[5 Undervalued Dow Components to Research – May 2015](#)  
[5 Undervalued Dow Components to Research – April 2015](#)  
[5 Undervalued Dow Components to Research – March 2015](#)

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posts about related  
companies**

[Advanced Micro Devices Inc. Analysis – Initial Coverage \\$AMD](#)  
[Nvidia Corporation Analysis – August 2015 Update \\$NVDA](#)  
[Applied Materials Inc. Analysis – August 2015 Update \\$AMAT](#)  
[Xilinx Inc. Analysis – August 2015 Update \\$XLNX](#)  
[Qorvo Inc. Analysis – Initial Coverage \\$QRVO](#)  
[Agilent Technologies Inc. Analysis – July 2015 Update \\$A](#)  
[Skyworks Solutions Inc. Analysis – Initial Coverage \\$SWKS](#)  
[Western Digital Corporation Analysis – July 2015 Update \\$WDC](#)  
[MTS Systems Corporation Analysis – July 2015 Update \\$MTSC](#)  
[Linear Technology Corporation Analysis – July 2015 Update \\$LLTC](#)