

ModernGraham Valuation

Company Name:

SanDisk Corporation

Company Ticker SNDK

Date of Analysis

8/21/2015



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	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Fail
5. Earnings Growth		Fail
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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	3.20
MG Growth Estimate	8.53%
MG Value	\$81.84
MG Value based on 3% Growth	\$46.43
MG Value based on 0% Growth	\$27.22
Market Implied Growth Rate	3.62%

MG Opinion

Current Price	\$50.41
% of Intrinsic Value	61.60%
Opinion	Undervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$0.61
PEmg	15.74
Current Ratio	1.80
PB Ratio	1.91
Dividend Yield	2.38%
Number of Consecutive Years of Dividend Growth	3

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	\$2.13	Next Fiscal Year Estimate	\$3.20
Dec14	\$4.23	Dec14	\$3.81
Dec13	\$4.34	Dec13	\$3.55
Dec12	\$1.70	Dec12	\$2.38
Dec11	\$4.04	Dec11	\$2.04
Dec10	\$5.44	Dec10	\$0.71
Dec09	\$1.79	Dec09	-\$1.31
Dec08	-\$8.82	Dec08	-\$2.14
Dec07	\$0.93	Dec07	\$1.23
Dec06	\$0.96	Dec06	\$1.29
Dec05	\$2.00	Dec05	\$1.14
Dec04	\$1.44	Dec04	\$0.65
Dec03	\$1.02	Dec03	\$0.26
Dec02	\$0.25	Dec02	-\$0.05
Dec01	-\$2.19	Dec01	-\$0.11
Dec00	\$2.06	Dec00	\$0.80
Dec99	\$0.22	Dec99	\$0.17
Dec98	\$0.11	Balance Sheet Information Jun15	
Dec97	\$0.20	Total Current Assets	\$3,657,356,000
Dec96	\$0.15	Total Current Liabilities	\$2,037,060,000
Dec95	\$0.12	Long-Term Debt	\$1,222,642,000
		Total Assets	\$9,149,431,000
		Intangible Assets	\$1,221,683,000
		Total Liabilities	\$3,527,448,000
		Shares Outstanding (Diluted Average)	212,712,000



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:

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ModernGraham
posts about the
company

[SanDisk Corporation Quarterly Valuation – May 2015 \\$SNDK](#)
[28 Companies in the Spotlight This Week – 2/28/15](#)
[Sandisk Corporation Quarterly Valuation – February 2015 \\$SNDK](#)
[26 Companies in the Spotlight This Week – 11/22/14](#)
[Sandisk Corporation Quarterly Valuation – November 2014 \\$SNDK](#)

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[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](#)