ModernGraham Valuation

Company Name:

Analog Devices, Inc.

Company Ticker ADI Date of Analysis

9/22/2015



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	\$17,405,811,017 Pass
2	2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.92 Pass
3	3. Earnings Stability	Positive EPS for 10 years prior	Pass
2	4. Dividend Record	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at	Pass
5	5. Earnings Growth	beginning and end	21.06% Fail
6	6. Moderate PEmg Ratio	PEmg < 20	23.77 Fail
7	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.49 Fail
Enterprising Investor; m	nust pass 4 out of the following 5 tests, or b	e suitable for the Defensive Investor.	
1	1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	3.92 Pass
2	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.16 Pass
3	 Earnings Stability 	Positive EPS for 5 years prior	Pass
2	4. Dividend Record	Currently Pays Dividend	Pass
ŧ	5. Earnings Growth	EPSmg greater than 5 years ago	Pass

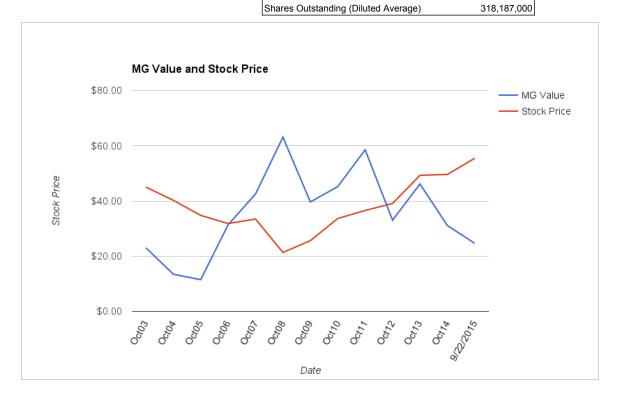
Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

	EPSmg	\$2.3	33
	MG Growth Estimate	1.03	%
	MG Value	\$24.6	35
	MG Value based on 3% Growth	\$33.8	34
	MG Value based on 0% Growth	\$19.8	34
	Market Implied Growth Rate	7.64	%
MG Opinion			
	Current Price	\$55.4	19
	% of Intrinsic Value	225.13	%
	Opinion	Overvalued	
Stage 3: Infor	mation for Further Research		
	Net Current Asset Value (NCAV)	\$6.5	54
	Graham Number	\$31.4	14
	PEmg	23.7	77
	Current Ratio	3.9	92
	PB Ratio	3.4	19
	Dividend Yield	2.78	%
	Number of Consecutive Years of Dividend Growth	1	12
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	\$2.72	Next Fiscal Year Estimate	\$2.33
Oct14	\$1.98	Oct14	\$2.19
Oct13	\$2.14	Oct13	\$2.21
Oct12	\$2.13	Oct12	\$2.22
Oct11	\$2.81	Oct11	\$2.18
Oct10	\$2.33	Oct10	\$1.84
Oct09	\$0.85	Oct09	\$1.56
Oct08	\$2.67	Oct08	\$1.83
Oct07	\$1.50	Oct07	\$1.36
Oct06	\$1.48	Oct06	\$1.19
Oct05	\$1.08	Oct05	\$1.00
Oct04	\$1.45	Oct04	\$0.98
Oct03	\$0.78	Oct03	\$0.77
Oct02	\$0.28	Oct02	\$0.75
Oct01	\$0.93	Oct01	\$0.91
Oct00	\$1.59	Oct00	\$0.83
Oct99	\$0.55	Oct99	\$0.45
Oct98	\$0.25	Balance Sheet Information	Jul15
Oct97	\$0.52	Total Current Assets	\$4,149,892,000
Oct96	\$0.52	Total Current Liabilities	\$1,057,770,000
Oct95	\$0.38	Long-Term Debt	\$498,448,000
		Total Assets	\$7,134,701,000
		Intangible Assets	\$2,242,263,000
		Total Liabilities	\$2,069,540,000
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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	Analog Devices Stock Analysis – June 2015 Update \$ADI
posts about the	18 Companies in the Spotlight This Week – 3/21/15
company	Analog Devices Inc. Quarterly Valuation – March 2015 \$ADI
	27 Companies in the Spotlight This Week – 12/20/14
	Analog Devices Inc. Quarterly Valuation – December 2014 \$ADI

Other ModernGraham posts about related	Loading http://www.moderngraham.com/2015/09/14/texas-instruments-inc-analysis-septemb
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	http://www.moderngraham.com/2015/09/04/the-best-stocks-of-the-it-hardware-indust ry-september-2015/
	http://www.moderngraham.com/2015/09/03/seagate-technology-plc-analysis-septem ber-2015-update-stx/
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	http://www.moderngraham.com/2015/08/23/te-connectivity-limited-analysis-august-2 015-update-tel/