ModernGraham Valuation

Company Name:

Company Ticker KLAC Date of Analysis KLA-Tencor Corp



9/2/2015

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	Pass
3.	Earnings Stability	Positive EPS for 10 years prior	Fail
	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 Pass
6.	Moderate PEmg Ratio	PEmg < 20	Pass
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	Fail

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

Useful

Defensive	No
Enterprising	Yes

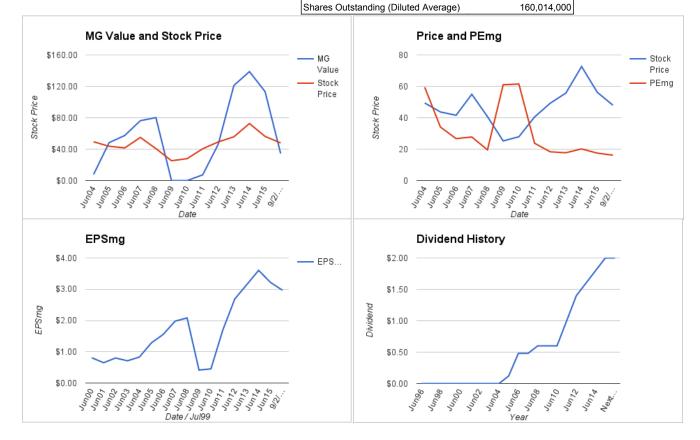
Stage 2: Determination of Intrinsic Value

	EPSmg		\$2.97
	MG Growth Estimate		1.55%
	MG Value		\$34.45
	MG Value based on 3% Growth		\$43.04
	MG Value based on 0% Growth		\$25.23
	Market Implied Growth Rate		3.83%
MG Opinion			
	Current Price		\$47.96
	% of Intrinsic Value		139.20%
	Opinion	Overvalued	

Stage 3: Information for Further Research

	Net Current Asset Value (NCAV)		-\$3.12
	Graham Number		\$13.01
	PEmg		16.16
	Current Ratio		3.90
	PB Ratio		18.21
	Dividend Yield Number of Consecutive Years of Dividend		4.17%
	Growth		6
Links:	ModernGraham tagged articles	Morningstar	
	Google Finance	MSN Money	
	Yahoo Finance	Seeking Alpha	
	GuruFocus	SEC Filings	

EPS History		EPSmg History	
Next Fiscal Year Estimate	¢0.06	Next Fiscal Year Estimate	\$2.9
Jun15		Jun15	\$3.2
Jun14		Jun14	\$3.0
Jun13		Jun13	\$3.1
Jun12	\$4.44	Jun12	\$2.0
Jun11	\$4.66	Jun11	\$1.
Jun10	\$1.23	Jun10	\$0.4
Jun09	-\$3.07	Jun09	\$0.4
Jun08	\$1.95	Jun08	\$2.0
Jun07	\$2.61	Jun07	\$1.9
Jun06	\$1.86	Jun06	\$1.
Jun05	\$2.21	Jun05	\$1.2
Jun04	\$1.05	Jun04	\$0.8
Jun03	\$0.48	Jun03	\$0.7
Jun02	\$1.10	Jun02	\$0.8
Jun01	\$0.34	Jun01	\$0.6
Jun00	\$1.32	Jun00	\$0.8
Jun99	\$0.21	Balance Sheet Information	Jun15
Jun98	\$0.76	Total Current Assets	\$3,904,576,00
Jun97	\$0.62	Total Current Liabilities	\$1,001,763,00
Jun96	\$1.17	Long-Term Debt	\$3,173,435,00
		Total Assets	\$4,826,012,00
		Intangible Assets	\$347,158,00
		Total Liabilities	\$4,404,573,00
		Charge Outstanding (Diluted Average)	160.014.0



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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	ompany	5 Undervalued Companies for Enterprising Investors With High Dividend Yields – July 2015
		5 Undervalued Companies for Enterprising Investors With High Dividend Yields – June 2015
		5 Undervalued Companies for Enterprising Investors Near 52 Week Lows – June 2015
		The 8 Best Stocks For Value Investors This Week – 6/6/15
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