# **ModernGraham Valuation**

**Company Name:** 

Altera Corporation



10/5/2015



# 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.

ALTR

1. Ade	equate Size of the Enterprise	Market Cap > \$2Bil	\$15,162,921,040	Pass
2. Suff	ficiently Strong Financial Condition	Current Ratio > 2	4.57	Pass
3. Ean	nings Stability	Positive EPS for 10 years prior		Pass
4. Divi	idend Record	Dividend Payments for 10 years prior		Fail
5. Ear		Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	35.76%	Pass
6. Moo	derate PEmg Ratio	PEmg < 20	35.64	Fail
7. Moo	derate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.60	Fail
Enterprising Investor; must pa	ass 4 out of the following 5 tests, or be .	suitable for the Defensive Investor.		
1. Suff	ficiently Strong Financial Condition	Current Ratio > 1.5	4.57	Pass
2. Suff	ficiently Strong Financial Condition	Debt to NCA < 1.1	0.67	Pass
3. Ean	nings Stability	Positive EPS for 5 years prior		Pass
4. Divi	idend Record	Currently Pays Dividend		Pass
5. Ean	nings Growth	EPSmg greater than 5 years ago		Fail

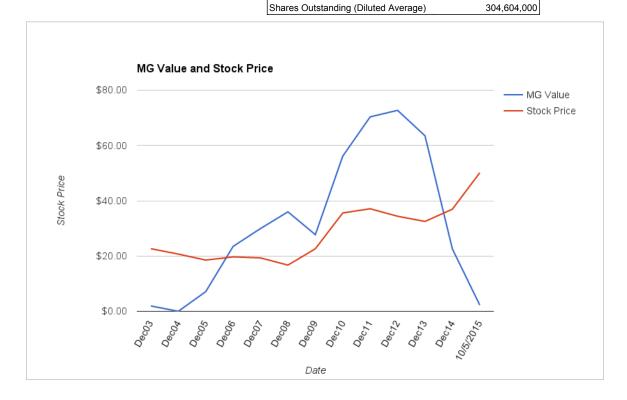
#### Suitability

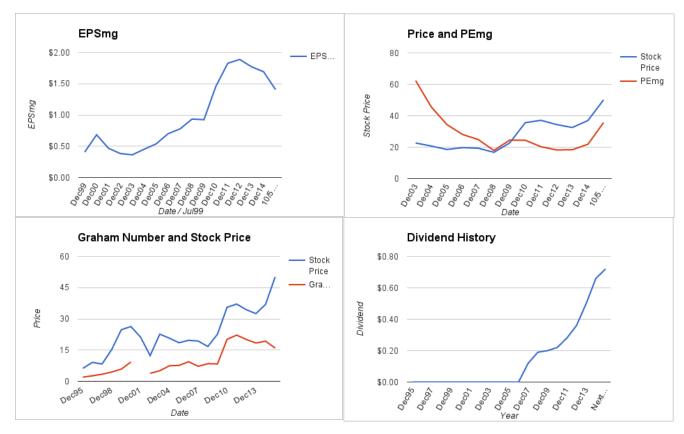
Defensive	No
Enterprising	Yes

### Stage 2: Determination of Intrinsic Value

•	EPSmg	\$1.41	
	MG Growth Estimate	-3.45%	
	MG Value	\$2.24	
	MG Value based on 3% Growth	\$20.40	
	MG Value based on 0% Growth	\$11.96	
	Market Implied Growth Rate	13.57%	
MG Opinion			
	Current Price	\$50.13	
	% of Intrinsic Value	2236.06%	
	Opinion	Overvalued	
Stage 3: Infor	mation for Further Research		
	Net Current Asset Value (NCAV)	\$1.33	
	Graham Number	\$15.95	
	PEmg	35.64	
	Current Ratio	4.57	
	PB Ratio	4.60	
	Dividend Yield	1.44%	
	Number of Consecutive Years of Dividend Growth	9	
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	¢1.02	Next Fiscal Year Estimate	\$1.41
Dec14		Dec14	\$1.69
Dec13		Dec13	\$1.77
Dec12		Dec12	\$1.89
Dec11	\$2.35	Dec11	\$1.83
Dec10	\$2.49	Dec10	\$1.46
Dec09	\$0.84	Dec09	\$0.93
Dec08	\$1.18	Dec08	\$0.93
Dec07	\$0.82	Dec07	\$0.78
Dec06	\$0.88	Dec06	\$0.70
Dec05	\$0.74	Dec05	\$0.54
Dec04	\$0.72	Dec04	\$0.45
Dec03	\$0.39	Dec03	\$0.36
Dec02	\$0.22	Dec02	\$0.38
Dec01	-\$0.10	Dec01	\$0.47
Dec00	\$1.19	Dec00	\$0.68
Dec99	\$0.54	Dec99	\$0.41
Dec98	\$0.39	Balance Sheet Information	Jun15
Dec97	\$0.34	Total Current Assets	\$2,868,562,000
Dec96	\$0.29	Total Current Liabilities	\$628,206,000
Dec95	\$0.24	Long-Term Debt	\$1,493,406,000
		Total Assets	\$5,784,456,000
		Intangible Assets	\$141,741,000
		Total Liabilities	\$2,464,663,000





#### 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	Altera Corporation Analysis – July 2015 Update \$ALTR
	27 Companies in the Spotlight This Week – 4/4/15
	15 Companies in the Spotlight This Week – 12/27/14
	Altera Corporation Quarterly Valuation – December 2014 \$ALTR
	17 Companies in the Spotlight This Week – 9/27/2014
Other	Lam Research Corporation Analysis – October 2015 Update \$LRCX
ModernGraham posts about related companies	Amphenol Corporation Analysis – October 2015 Update \$APH
	NetApp Inc. Analysis – September 2015 Update \$NTAP
	EMC Corporation Analysis – September 2015 Update \$EMC
	Analog Devices Inc. Analysis – September 2015 Update \$ADI
	Garmin Limited Analysis – September 2015 Update \$GRMN
	Texas Instruments Inc Analysis – September 2015 Update \$TXN
	My Personal Holdings: Apple Inc. – September 2015 Update \$AAPL
	The Best Stocks of the IT Hardware Industry – September 2015
	The Best Stocks of the IT Hardware Industry – September 2015