

ModernGraham Valuation

Company Name:

QUALCOMM, Inc.

Company Ticker QCOM

Date of Analysis

10/20/2015



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	\$92,685,222,775	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.26	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	120.42%	Pass
6. Moderate PEmg Ratio	PEmg < 20	15.98	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.89	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	4.26	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.50	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.69
MG Growth Estimate	13.60%
MG Value	\$131.78
MG Value based on 3% Growth	\$53.52
MG Value based on 0% Growth	\$31.38
Market Implied Growth Rate	3.74%

MG Opinion

Current Price	\$58.99
% of Intrinsic Value	44.76%
Opinion	Undervalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.20
Graham Number	\$38.39
PEmg	15.98
Current Ratio	4.26
PB Ratio	2.89
Dividend Yield	2.95%
Number of Consecutive Years of Dividend Growth	13

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	\$3.10	Next Fiscal Year Estimate	\$3.69
Sep14	\$4.65	Sep14	\$3.76
Sep13	\$3.91	Sep13	\$3.07
Sep12	\$3.51	Sep12	\$2.49
Sep11	\$2.52	Sep11	\$1.94
Sep10	\$1.96	Sep10	\$1.64
Sep09	\$0.95	Sep09	\$1.49
Sep08	\$1.90	Sep08	\$1.68
Sep07	\$1.95	Sep07	\$1.46
Sep06	\$1.44	Sep06	\$1.10
Sep05	\$1.26	Sep05	\$0.80
Sep04	\$1.03	Sep04	\$0.50
Sep03	\$0.51	Sep03	\$0.22
Sep02	\$0.22	Sep02	\$0.08
Sep01	-\$0.38	Sep01	\$0.04
Sep00	\$0.43	Sep00	\$0.21
Sep99	\$0.16	Sep99	\$0.09
Sep98	\$0.09	Balance Sheet Information Jun15	
Sep97	\$0.08	Total Current Assets	\$25,928,000,000
Sep96	\$0.02	Total Current Liabilities	\$6,083,000,000
Sep95	\$0.00	Long-Term Debt	\$9,913,000,000
		Total Assets	\$52,295,000,000
		Intangible Assets	\$6,664,000,000
		Total Liabilities	\$19,093,000,000
		Shares Outstanding (Diluted Average)	1,629,000,000





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

- [10 Most Undervalued Companies for the Defensive Investor – October 2015](#)
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – September 2015](#)
- [10 Most Undervalued Companies for the Defensive Investor – September 2015](#)
- [5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – September 2015](#)
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – August 2015](#)

Other ModernGraham posts about related companies

- [Infosys Limited Analysis – October 2015 Update \\$INFY](#)
- [Teradata Corporation Analysis – September 2015 Update \\$TDC](#)
- [Akamai Technologies Inc. Analysis – August 2015 Update \\$AKAM](#)
- [Total System Services Inc. Analysis – August 2015 Update \\$TSS](#)
- [Acxiom Corporation Analysis – Initial Coverage \\$ACXM](#)
- [ACI Worldwide Inc. Analysis – Initial Coverage \\$ACIW](#)
- [Motorola Solutions Inc. Analysis – July 2015 Update \\$MSI](#)
- [Qualcomm Inc. Analysis – July 2015 Update \\$QCOM](#)
- [Cognizant Technology Solutions Corp Analysis – July 2015 Update \\$CTSH](#)
- [Equinix Inc. Analysis – Initial Coverage \\$EQIX](#)