# **ModernGraham Valuation**

### **Company Name:**

QUALCOMM, Inc.

Modern Graham

Company Ticker
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.

QCOM

<ol> <li>Adequate Size of the Enterprise</li> </ol>	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
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	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

Oninian	l Implementation of	
% of Intrinsic Value		44.76%
Current Price		\$58.99

#### Opinion Undervalued

### Stage 3: Information for Further Research

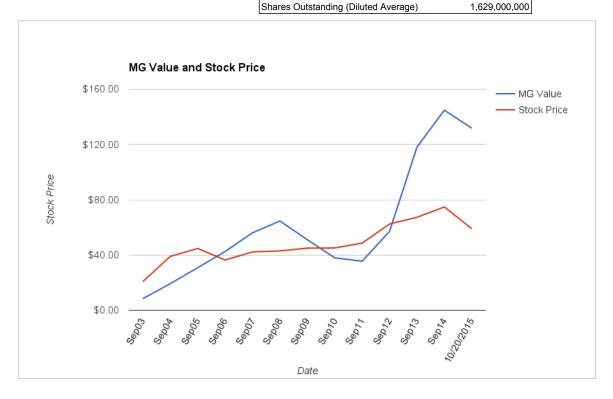
Net Current Asset Value (NCAV)	\$4.20
Graham Number	\$38.39
PEmg	15.98
Current Ratio	4.26
PB Ratio	2.89
Dividend Yield	2.95%
Number of Consecutive Years of Dividend Growth	13

Morningstar

Useful Links: ModernGraham tagged articles

Google FinanceMSN MoneyYahoo FinanceSeeking AlphaGuruFocusSEC 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

2013

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

<u>Teradata Corporation Analysis – September 2015 Update \$TDC</u>

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