

ModernGraham Valuation

Company Name:

Company Ticker SWKS
Date of Analysis

Skyworks Solutions
Inc

10/26/2015



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	\$15,576,863,447	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	5.70	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	1585.71%	Pass
6. Moderate PEmg Ratio	PEmg < 20	29.45	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.96	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	5.70	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.62
MG Growth Estimate	15.00%
MG Value	\$100.90
MG Value based on 3% Growth	\$38.00
MG Value based on 0% Growth	\$22.28
Market Implied Growth Rate	10.47%

MG Opinion

Current Price	\$77.17
% of Intrinsic Value	76.48%
Opinion	Fairly Valued

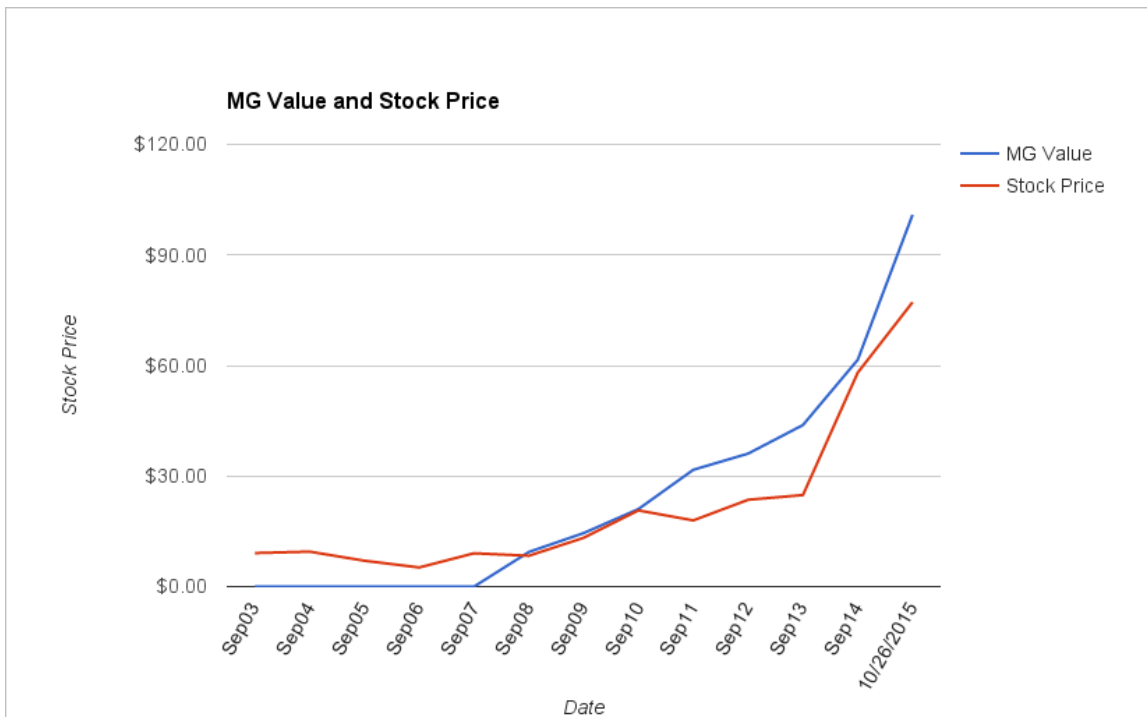
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$6.87
Graham Number	\$39.83
PEmg	29.45
Current Ratio	5.70
PB Ratio	4.96
Dividend Yield	0.65%
Number of Consecutive Years of Dividend Growth	2

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	\$4.43	Next Fiscal Year Estimate	\$2.62
Sep14	\$2.38	Sep14	\$1.60
Sep13	\$1.45	Sep13	\$1.14
Sep12	\$1.05	Sep12	\$0.94
Sep11	\$1.19	Sep11	\$0.82
Sep10	\$0.75	Sep10	\$0.55
Sep09	\$0.56	Sep09	\$0.38
Sep08	\$0.68	Sep08	\$0.24
Sep07	\$0.36	Sep07	-\$0.19
Sep06	-\$0.55	Sep06	-\$0.57
Sep05	\$0.16	Sep05	-\$0.56
Sep04	\$0.15	Sep04	-\$0.77
Sep03	-\$3.24	Sep03	-\$0.95
Mar02	-\$0.42	Mar02	\$0.24
Mar01	\$0.75	Mar01	\$0.48
Mar00	\$0.42	Mar00	\$0.29
Mar99	\$0.54	Mar99	\$0.18
Mar98	\$0.33	Balance Sheet Information Jun15	
Mar97	-\$0.53	Total Current Assets	\$1,818,100,000
Mar96	\$0.15	Total Current Liabilities	\$319,000,000
Mar95	\$0.00	Long-Term Debt	\$0
		Total Assets	\$3,518,300,000
		Intangible Assets	\$908,000,000
		Total Liabilities	\$476,300,000
		Shares Outstanding (Diluted Average)	195,400,000





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

- [The Best Stocks of the IT Hardware Industry – September 2015](#)
- [The 16 Best Stocks For Value Investors This Week – 8/1/15](#)
- [Skyworks Solutions Inc. Analysis – Initial Coverage \\$SWKS](#)

Other ModernGraham posts about related companies

- [Agilent Technologies Inc. Valuation – October 2015 Update \\$A](#)
- [Western Digital Corporation Valuation – October 2015 Update \\$WDC](#)
- [MTS Systems Corporation Valuation – October 2015 Update \\$MTSC](#)
- [Linear Technology Corp Valuation – October 2015 Update \\$LLTC](#)
- [Altera Corporation Analysis – October 2015 Update \\$ALTR](#)
- [Lam Research Corporation Analysis – October 2015 Update \\$LRCX](#)
- [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](#)