

# ModernGraham Valuation

## Company Name:

Company Ticker MU  
Date of Analysis

Micron Technology,  
Inc.

11/10/2015



## 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	\$16,926,901,549	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.20	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-216.22%	Fail
5. Earnings Growth	PEmg < 20	10.64	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.42	Pass
7. Moderate Price to Assets			

*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	2.20	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.33	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.46
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$56.39</b>
MG Value based on 3% Growth	\$21.24
MG Value based on 0% Growth	\$12.45
Market Implied Growth Rate	1.07%

### MG Opinion

Current Price	\$15.59
% of Intrinsic Value	27.65%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.89
Graham Number	\$12.88
PEmg	10.64
Current Ratio	2.20
PB Ratio	1.42
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS Histry		EPSmg History	
Next Fiscal Year Estimate	\$0.65	Next Fiscal Year Estimate	\$1.46
Aug15	\$2.47	Aug15	\$1.60
Aug14	\$2.54	Aug14	\$1.09
Aug13	\$1.13	Aug13	\$0.22
Aug12	-\$1.04	Aug12	-\$0.38
Aug11	\$0.17	Aug11	-\$0.23
Aug10	\$1.85	Aug10	-\$0.45
Aug09	-\$2.35	Aug09	-\$1.33
Aug08	-\$2.10	Aug08	-\$0.64
Aug07	-\$0.42	Aug07	-\$0.04
Aug06	\$0.57	Aug06	-\$0.07
Aug05	\$0.29	Aug05	-\$0.53
Aug04	\$0.24	Aug04	-\$0.75
Aug03	-\$2.11	Aug03	-\$0.98
Aug02	-\$1.51	Aug02	-\$0.33
Aug01	-\$1.05	Aug01	\$0.28
Aug00	\$2.56	Aug00	\$0.89
Aug99	-\$0.13	<b>Balance Sheet Information</b> <b>Aug15</b>	
Aug98	-\$0.58	Total Current Assets	\$8,596,000,000
Aug97	\$0.72	Total Current Liabilities	\$3,905,000,000
Aug96	\$1.38	Long-Term Debt	\$6,252,000,000
		Total Assets	\$24,143,000,000
		Intangible Assets	\$449,000,000
		Total Liabilities	\$11,841,000,000
		Shares Outstanding (Diluted Average)	1,124,000,000





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

[30 Companies in the Spotlight This Week – 11/15/14](#)  
[Micron Technology Inc. Annual Valuation – 2014 \\$MU](#)

Other  
ModernGraham  
posts about related  
companies

[Xilinx Inc. Valuation – November 2015 Update \\$XLNX](#)  
[Ametek Inc. Valuation – November 2015 Update \\$AME](#)  
[Skyworks Solutions Inc. Valuation – October 2015 Update \\$SWKS](#)  
[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](#)