

ModernGraham Valuation

Company Name:

SanDisk Corporation

Company Ticker

SNDK

Date of Analysis

11/25/2015



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	\$14,993,649,792	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.17	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	-252.96%	Fail
5. Earnings Growth	PEmg < 20	23.58	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.73	Fail
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	3.17	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.86	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	\$3.17
MG Growth Estimate	8.28%
MG Value	\$79.43
MG Value based on 3% Growth	\$45.95
MG Value based on 0% Growth	\$26.93
Market Implied Growth Rate	7.54%

MG Opinion

Current Price	\$74.73
% of Intrinsic Value	94.08%
Opinion	Fairly Valued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$0.85
Graham Number	\$35.81
PEmg	23.58
Current Ratio	3.17
PB Ratio	2.73
Dividend Yield	1.61%
Number of Consecutive Years of Dividend Growth	3

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	\$2.03	Next Fiscal Year Estimate	\$3.17
Dec14	\$4.23	Dec14	\$3.81
Dec13	\$4.34	Dec13	\$3.55
Dec12	\$1.70	Dec12	\$2.38
Dec11	\$4.04	Dec11	\$2.04
Dec10	\$5.44	Dec10	\$0.71
Dec09	\$1.79	Dec09	-\$1.31
Dec08	-\$8.82	Dec08	-\$2.14
Dec07	\$0.93	Dec07	\$1.23
Dec06	\$0.96	Dec06	\$1.29
Dec05	\$2.00	Dec05	\$1.14
Dec04	\$1.44	Dec04	\$0.65
Dec03	\$1.02	Dec03	\$0.26
Dec02	\$0.25	Dec02	-\$0.05
Dec01	-\$2.19	Dec01	-\$0.11
Dec00	\$2.06	Dec00	\$0.80
Dec99	\$0.22	Dec99	\$0.17
Dec98	\$0.11	Balance Sheet Information Sep15	
Dec97	\$0.20	Total Current Assets	\$3,613,646,000
Dec96	\$0.15	Total Current Liabilities	\$1,139,010,000
Dec95	\$0.12	Long-Term Debt	\$2,137,737,000
		Total Assets	\$9,073,003,000
		Intangible Assets	\$1,174,606,000
		Total Liabilities	\$3,438,928,000
		Shares Outstanding (Diluted Average)	205,787,000





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.

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