ModernGraham Valuation

Company Name:

LLTC Company Ticker Date of Analysis

Linear Technology Corporation



1/30/2016

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	\$9,874,300,017 Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	9.88 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	36.30% Pass
	6. Moderate PEmg Ratio	PEmg < 20	22.06 Fail
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.21 Fail
Enterprising Investor;	must pass 4 out of the following 5 tests, or b	e suitable for the Defensive Investor.	
	1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	9.88 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

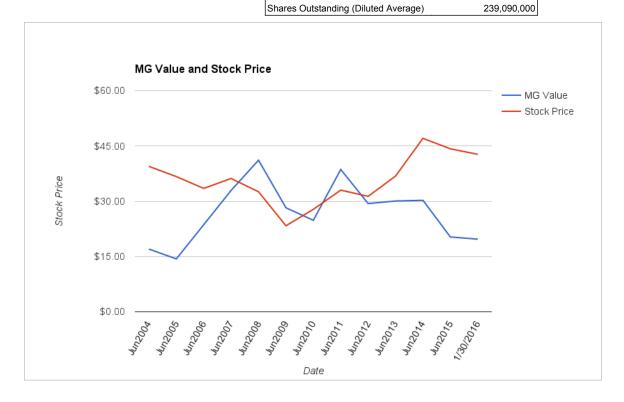
Stage 2: Determination of Intrinsic Value

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	EPSmg	\$1.94	4
	MG Growth Estimate	0.84%	6
	MG Value	\$19.7 [,]	1
	MG Value based on 3% Growth	\$28.08	3
	MG Value based on 0% Growth	\$16.46	3
	Market Implied Growth Rate	6.78%	6
MG Opinion			
	Current Price	\$42.73	3
	% of Intrinsic Value	216.75%	6
	Opinion	Overvalued	
Stage 3: Info	rmation for Further Research		
	Net Current Asset Value (NCAV)	\$5.6	5
	Graham Number	\$17.3	7
	PEmg	22.00	3

	PEmg		22.06
	Current Ratio		9.88
	PB Ratio		6.21
	Dividend Yield		2.74%
	Number of Consecutive Years of Dividen Growth	d	20
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	Google Finance	MSN Money
	Yahoo Finance	Seeking Alpha
	GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.95	Next Fiscal Year Estimate	\$1.94
Jun2015	\$2.12	Jun2015	\$1.95
Jun2014	\$1.90	Jun2014	\$1.87
Jun2013	\$1.71	Jun2013	\$1.82
Jun2012	\$1.70	Jun2012	\$1.83
Jun2011	\$2.50	Jun2011	\$1.83
Jun2010	\$1.58	Jun2010	\$1.49
Jun2009	\$1.28	Jun2009	\$1.44
Jun2008	\$1.71	Jun2008	\$1.47
Jun2007	\$1.39	Jun2007	\$1.29
Jun2006	\$1.37	Jun2006	\$1.17
Jun2005	\$1.38	Jun2005	\$1.05
Jun2004	\$1.02	Jun2004	\$0.89
Jun2003	\$0.74	Jun2003	\$0.82
Jun2002	\$0.60	Jun2002	\$0.84
Jun2001	\$1.29	Jun2001	\$0.89
Jun2000	\$0.88	Jun2000	\$0.66
Jun1999	\$0.61	Balance Sheet Information	Dec2015
Jun1998	\$0.57	Total Current Assets	\$1,652,284,000
Jun1997	\$0.43	Total Current Liabilities	\$167,317,000
Jun1996	\$0.43	Long-Term Debt	\$0
		Total Assets	\$1,946,696,000
		Intangible Assets	\$0
		Total Liabilities	\$302,121,000
		Charge Outstanding (Diluted Average)	220,000,000





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	Linear Technology Corp Valuation – October 2015 Update \$LLTC		
	Linear Technology Corporation Analysis – July 2015 Update \$LLTC		
	27 Companies in the Spotlight This Week – 4/4/15		
	Linear Technology Corporation Quarterly Valuation – March 2015 \$LLTC		
	Linear Technology Corporation Quarterly Valuation – December 2014 \$LLTC		
Other	Searcate Technology PLC Valuation - January 2016 Undate \$STX		

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