

ModernGraham Valuation

Company Name:

Company Ticker LLTC

Date of Analysis

1/30/2016

Linear Technology
Corporation



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 be 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

EPSmg	\$1.94
MG Growth Estimate	0.84%
MG Value	\$19.71
MG Value based on 3% Growth	\$28.08
MG Value based on 0% Growth	\$16.46
Market Implied Growth Rate	6.78%

MG Opinion

Current Price	\$42.73
% of Intrinsic Value	216.75%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$5.65
Graham Number	\$17.37
PEmg	22.06
Current Ratio	9.88
PB Ratio	6.21
Dividend Yield	2.74%
Number of Consecutive Years of Dividend Growth	20

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	\$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
		Shares Outstanding (Diluted Average)	239,090,000





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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[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](#)
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[Lam Research Corp Valuation – January 2016 Update \\$LRCX](#)
[Amphenol Corporation Valuation – January 2016 Update \\$APH](#)
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