ModernGraham Valuation

Company Name:

Analog Devices, Inc.

Company Ticker ADI Date of Analysis

2/15/2016



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	\$15,681,432,322 Pass
2. Sufficiently	y Strong Financial Condition	Current Ratio > 2	3.66 Pass
3. Earnings §	Stability	Positive EPS for 10 years prior	Pass
4. Dividend F	Record	Dividend Payments for 10 years prior	Pass
5. Earnings 0	Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	32.07% Fail
6. Moderate	PEmg Ratio	PEmg < 20	22.29 Fail
7. Moderate	Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.10 Fail
Enterprising Investor; must pass 4 o	ut of the following 5 tests, or b	e suitable for the Defensive Investor.	
1. Sufficiently	y Strong Financial Condition	Current Ratio > 1.5	3.66 Pass
2. Sufficiently	y Strong Financial Condition	Debt to NCA < 1.1	0.17 Pass
3. Earnings §	Stability	Positive EPS for 5 years prior	Pass
4. Dividend F	Record	Currently Pays Dividend	Pass
5. Earnings 0	Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	No
Enterprising	Yes

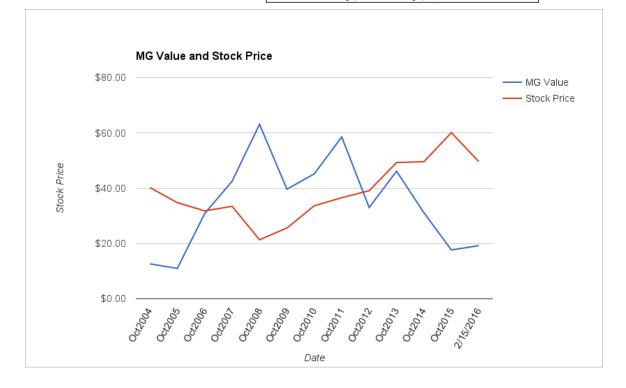
Stage 2: Determination of Intrinsic Value

	EPSmg		\$2.23
	MG Growth Estimate		0.07%
	MG Value		\$19.23
	MG Value based on 3% Growth		\$32.29
	MG Value based on 0% Growth		\$18.93
	Market Implied Growth Rate		6.90%
MG Opinion			
	Current Price		\$49.64
	% of Intrinsic Value		258.16%
	Opinion	Overvalued	
	MG Grade	С	

Stage 3: Information for Further Research

	Net Current Asset Value (NCAV)	\$6.	60
	Graham Number	\$29.	94
	PEmg	22.	29
	Current Ratio	3.	66
	PB Ratio	3.	10
	Dividend Yield	3.16	5%
	Number of Consecutive Years of Dividend Growth		13
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	\$2.45	Next Fiscal Year Estimate	\$2.23
Oct2015	\$2.20	Oct2015	\$2.16
Oct2014	\$1.98	Oct2014	\$2.19
Oct2013	\$2.14	Oct2013	\$2.21
Oct2012	\$2.13	Oct2012	\$2.22
Oct2011	\$2.81	Oct2011	\$2.18
Oct2010	\$2.33	Oct2010	\$1.84
Oct2009	\$0.85	Oct2009	\$1.56
Oct2008	\$2.67	Oct2008	\$1.83
Oct2007	\$1.50	Oct2007	\$1.36
Oct2006	\$1.48	Oct2006	\$1.19
Oct2005	\$1.08	Oct2005	\$1.00
Oct2004	\$1.45	Oct2004	\$0.98
Oct2003	\$0.78	Oct2003	\$0.77
Oct2002	\$0.28	Oct2002	\$0.76
Oct2001	\$0.93	Oct2001	\$0.93
Oct2000	\$1.59	Oct2000	\$0.85
Oct1999	\$0.55	Balance Sheet Information	Oct2015
Oct1998	\$0.36	Total Current Assets	\$4,079,548,000
Oct1997	\$0.52	Total Current Liabilities	\$1,113,830,000
Oct1996	\$0.52	Long-Term Debt	\$498,497,000
		Total Assets	\$7,062,178,000
		Intangible Assets	\$2,220,043,000
		Total Liabilities	\$1,989,219,000
		Shares Outstanding (Diluted Average)	316,872,000





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	Analog Devices Inc. Analysis – September 2015 Update \$ADI	
	Analog Devices Stock Analysis – June 2015 Update \$ADI	
	18 Companies in the Spotlight This Week – 3/21/15	
	Analog Devices Inc. Quarterly Valuation – March 2015 \$ADI	
	27 Companies in the Spotlight This Week – 12/20/14	
Other ModernGraham posts about related companies	Emerson Electric Co Valuation – February 2016 \$EMR	
	Agilent Technologies Inc Valuation – February 2016	
	Western Digital Corp Valuation – February 2016	
	Xilinx Inc Valuation – February 2016 \$XLNX	
	Texas Instruments Inc Valuation – February 2016 \$TXN	
	Apple Inc Valuation – February 2016 \$AAPL	
	Ametek Inc Valuation – February 2016 Update \$AME	
	MTS Systems Corp Valuation – February 2016 Update \$MTSC	
	Linear Technology Corp Valuation – January 2016 Update \$LLTC	
	Seagate Technology PLC Valuation – January 2016 Update \$STX	