

# ModernGraham Valuation

Company Name:

QUALCOMM, Inc.

Company Ticker QCOM

Date of Analysis

2/9/2016



## 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	\$64,999,517,101	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.13	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	142.29%	Pass
6. Moderate PEmg Ratio	PEmg < 20	11.48	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.19	Pass

*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	3.13	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.72	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

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.80
MG Growth Estimate	7.90%
<b>MG Value</b>	<b>\$92.28</b>
MG Value based on 3% Growth	\$55.06
MG Value based on 0% Growth	\$32.28
Market Implied Growth Rate	1.49%

### MG Opinion

Current Price	\$43.61
% of Intrinsic Value	47.26%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

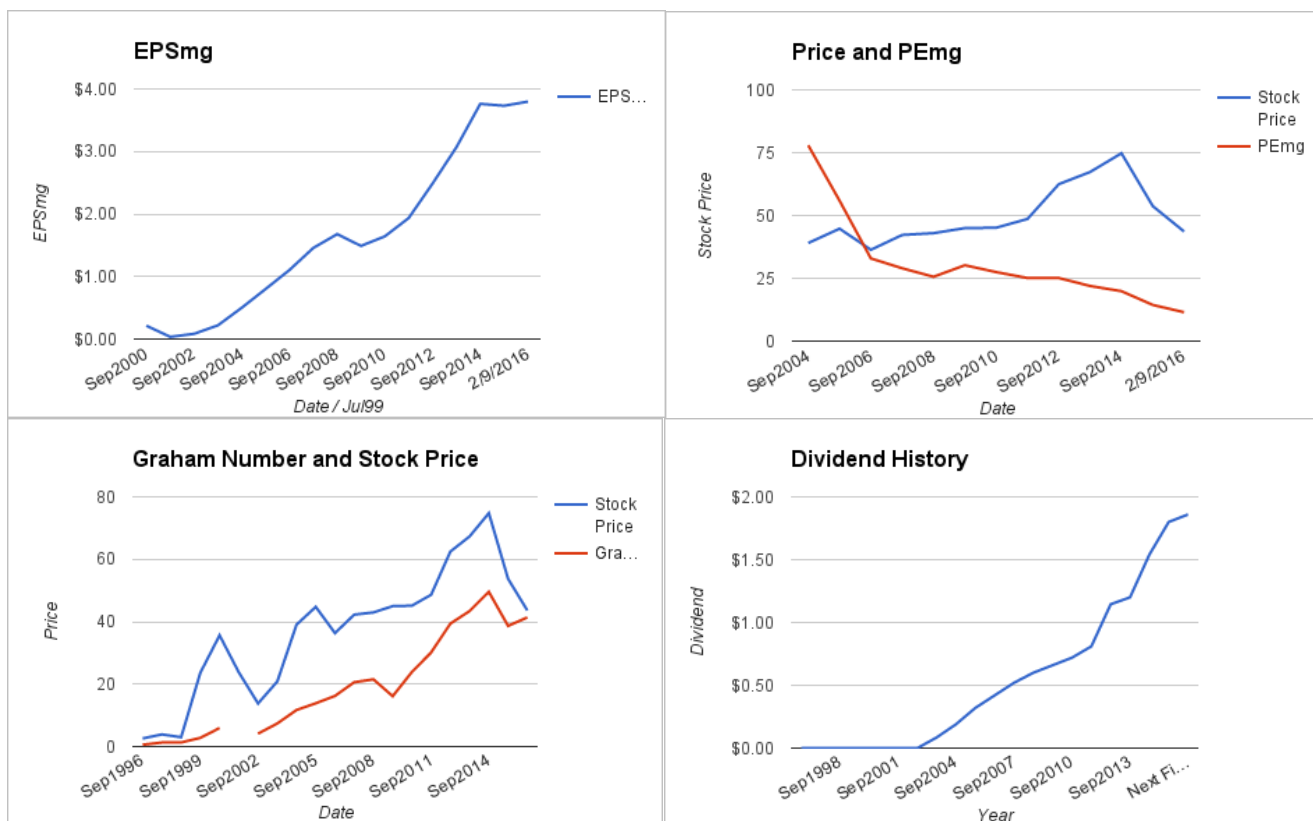
Net Current Asset Value (NCAV)	\$0.23
Graham Number	\$41.37
PEmg	11.48
Current Ratio	3.13
PB Ratio	2.19
Dividend Yield	4.27%
Number of Consecutive Years of Dividend Growth	14

### 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 History		EPSmg History	
Next Fiscal Year Estimate	\$3.76	Next Fiscal Year Estimate	\$3.80
Sep2015	\$3.22	Sep2015	\$3.73
Sep2014	\$4.65	Sep2014	\$3.76
Sep2013	\$3.91	Sep2013	\$3.07
Sep2012	\$3.51	Sep2012	\$2.49
Sep2011	\$2.52	Sep2011	\$1.94
Sep2010	\$1.96	Sep2010	\$1.64
Sep2009	\$0.95	Sep2009	\$1.49
Sep2008	\$1.90	Sep2008	\$1.68
Sep2007	\$1.95	Sep2007	\$1.46
Sep2006	\$1.44	Sep2006	\$1.10
Sep2005	\$1.26	Sep2005	\$0.80
Sep2004	\$1.03	Sep2004	\$0.50
Sep2003	\$0.51	Sep2003	\$0.22
Sep2002	\$0.22	Sep2002	\$0.08
Sep2001	-\$0.38	Sep2001	\$0.04
Sep2000	\$0.43	Sep2000	\$0.21
Sep1999	\$0.16	<b>Balance Sheet Information</b> <b>Dec2015</b>	
Sep1998	\$0.09	Total Current Assets	\$20,338,000,000
Sep1997	\$0.08	Total Current Liabilities	\$6,503,000,000
Sep1996	\$0.02	Long-Term Debt	\$9,950,000,000
		Total Assets	\$50,229,000,000
		Intangible Assets	\$9,737,000,000
		Total Liabilities	\$19,988,000,000
		Shares Outstanding (Diluted Average)	1,517,000,000





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

- [10 Undervalued Companies for the Defensive Dividend Stock Investor – February 2016](#)
- [10 Most Undervalued Companies for the Defensive Investor – October 2015](#)
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – September 2015](#)
- [10 Most Undervalued Companies for the Defensive Investor – September 2015](#)
- [5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – September 2015](#)

Other  
ModernGraham  
posts about related  
companies

- [Motorola Solutions Inc Valuation – February 2016 Update \\$MSI](#)
- [Cognizant Technology Solutions Corp Valuation – January 2016 Update \\$CTSH](#)
- [Akamai Technologies Inc Valuation – January 2016 \\$AKAM](#)
- [Infosys Ltd Valuation – January 2016 Update \\$INFY](#)
- [Total System Services Inc. Valuation – November 2015 Update \\$TSS](#)
- [International Business Machines Corp Valuation – November 2015 Update \\$IBM](#)
- [Motorola Solutions Inc. Valuation – November 2015 Update \\$MSI](#)
- [Qualcomm Inc. Valuation – October 2015 Update \\$QCOM](#)
- [Cognizant Technology Solutions Corp Analysis – October 2015 Update \\$CTSH](#)
- [Infosys Limited Analysis – October 2015 Update \\$INFY](#)