

# ModernGraham Valuation

## Company Name:

Company Ticker SWKS  
Date of Analysis

Skyworks Solutions  
Inc

2/17/2016



## 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	\$13,018,496,562	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	5.75	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	655.63%	Pass
6. Moderate PEmg Ratio	PEmg < 20	17.21	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.56	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	5.75	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.70
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$142.55</b>
MG Value based on 3% Growth	\$53.69
MG Value based on 0% Growth	\$31.47
Market Implied Growth Rate	4.35%

### MG Opinion

Current Price	\$63.71
% of Intrinsic Value	44.69%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$8.56
Graham Number	\$47.96
PEmg	17.21
Current Ratio	5.75
PB Ratio	3.56
Dividend Yield	1.22%
Number of Consecutive Years of Dividend Growth	3

### 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>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.61	Next Fiscal Year Estimate	\$3.70
Sep2015	\$4.10	Sep2015	\$2.51
Sep2014	\$2.38	Sep2014	\$1.60
Sep2013	\$1.45	Sep2013	\$1.14
Sep2012	\$1.05	Sep2012	\$0.94
Sep2011	\$1.19	Sep2011	\$0.82
Sep2010	\$0.75	Sep2010	\$0.55
Sep2009	\$0.56	Sep2009	\$0.38
Sep2008	\$0.68	Sep2008	\$0.24
Sep2007	\$0.36	Sep2007	-\$0.19
Sep2006	-\$0.55	Sep2006	-\$0.57
Sep2005	\$0.16	Sep2005	-\$0.56
Sep2004	\$0.15	Sep2004	-\$0.77
Sep2003	-\$3.24	Sep2003	-\$0.95
Mar2002	-\$0.42	Mar2002	\$0.24
Mar2001	\$0.75	Mar2001	\$0.48
Mar2000	\$0.42	Mar2000	\$0.29
Mar1999	\$0.54	<b>Balance Sheet Information</b>	<b>Dec2015</b>
Mar1998	\$0.33	Total Current Assets	\$2,114,700,000
Mar1997	-\$0.53	Total Current Liabilities	\$367,900,000
Mar1996	\$0.15	Long-Term Debt	\$0
		Total Assets	\$3,930,500,000
		Intangible Assets	\$893,300,000
		Total Liabilities	\$447,900,000
		Shares Outstanding (Diluted Average)	194,700,000





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 Best Stocks For Value Investors This Week – 10/31/15](#)  
[The Best Stocks of the IT Hardware Industry – September 2015](#)  
[The 16 Best Stocks For Value Investors This Week – 8/1/15](#)  
[Skyworks Solutions Inc. Analysis – Initial Coverage \\$SWKS](#)

Other  
ModernGraham  
posts about related  
companies

[Analog Devices Inc Stock Valuation – February 2016 \\$ADI](#)  
[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](#)