

ModernGraham Valuation

Company Name:

Cognex Corporation

Company Ticker

CGNX

Date of Analysis

12/12/2016



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	\$5,407,132,121	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	7.68	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	774.78%	Pass
6. Moderate PEmg Ratio	PEmg < 20	42.28	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.93	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	7.68	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	\$1.52
MG Growth Estimate	15.00%
MG Value	\$58.37
MG Value based on 3% Growth	\$21.98
MG Value based on 0% Growth	\$12.89
Market Implied Growth Rate	16.89%

MG Opinion

Current Price	\$64.09
% of Intrinsic Value	109.81%
Opinion	Fairly Valued
MG Grade	C

Stage 3: Information for Further Research

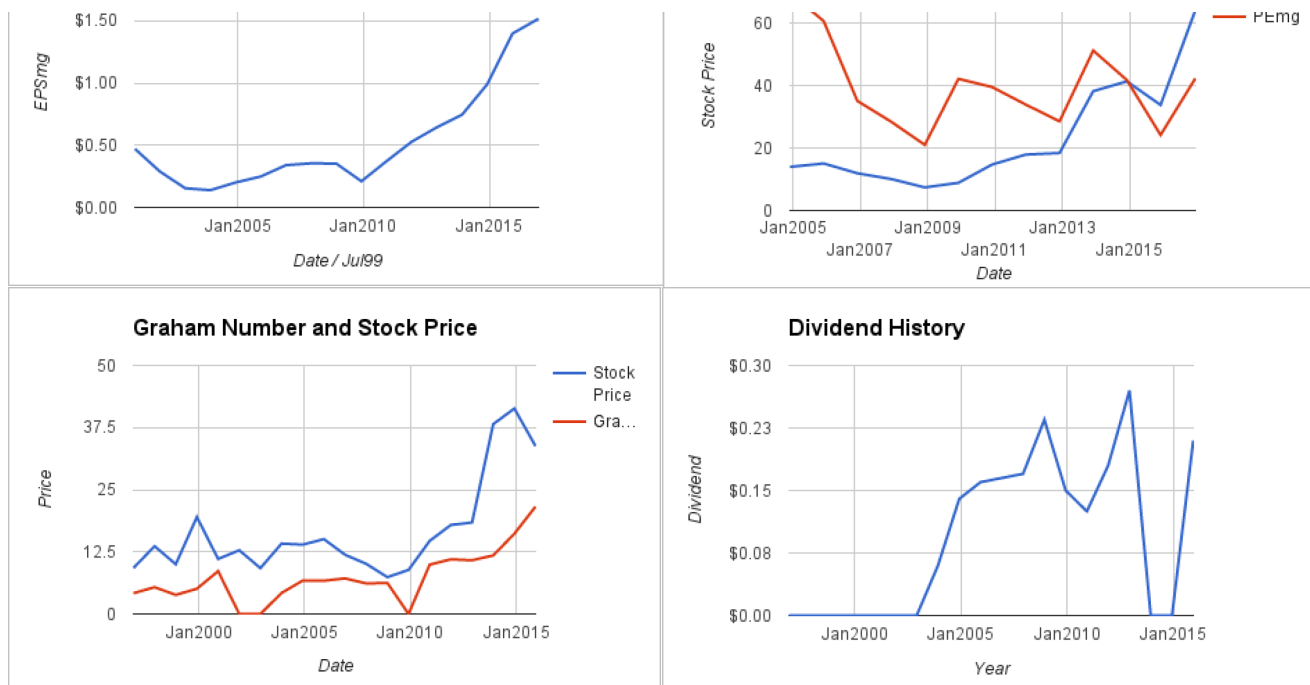
Net Current Asset Value (NCAV)	\$5.21
Graham Number	\$19.54
PEmg	42.28
Current Ratio	7.68
PB Ratio	5.93
Current Dividend	\$0.29
Dividend Yield	0.45%
Number of Consecutive Years of Dividend Growth	2

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		Next Fiscal Year Estimate	\$1.52
Dec2015	\$2.13	Dec2015	\$1.40
Dec2014	\$1.36	Dec2014	\$0.99
Dec2013	\$0.83	Dec2013	\$0.75
Dec2012	\$0.78	Dec2012	\$0.64
Dec2011	\$0.82	Dec2011	\$0.53
Dec2010	\$0.76	Dec2010	\$0.37
Dec2009	-\$0.06	Dec2009	\$0.21
Dec2008	\$0.33	Dec2008	\$0.35
Dec2007	\$0.31	Dec2007	\$0.35
Dec2006	\$0.43	Dec2006	\$0.34
Dec2005	\$0.37	Dec2005	\$0.25
Dec2004	\$0.40	Dec2004	\$0.20
Dec2003	\$0.18	Dec2003	\$0.14
Dec2002	-\$0.07	Dec2002	\$0.15
Dec2001	-\$0.13	Dec2001	\$0.29
Dec2000	\$0.75	Dec2000	\$0.47
Dec1999	\$0.35	Balance Sheet Information 9/1/2016	
Dec1998	\$0.24	Total Current Assets	\$530,828,000
Dec1997	\$0.46	Total Current Liabilities	\$69,074,000
Dec1996	\$0.35	Long-Term Debt	\$0
		Total Assets	\$1,020,087,000
		Intangible Assets	\$87,547,000
		Total Liabilities	\$76,139,000
		Shares Outstanding (Diluted Average)	87,346,000





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

#N/A

Other
ModernGraham
posts about related
companies

[Ingram Micro Inc Valuation – Initial Coverage \\$IM](#)
[Sanmina Corp Valuation – Initial Coverage \\$SANM](#)
[Qorvo Inc Valuation – December 2016 Update \\$QRVO](#)
[IIVI Inc Valuation – Initial Coverage \\$IIVI](#)
[CEVA Inc Valuation – Initial Coverage \\$CEVA](#)
[NetApp Inc Valuation – August 2016 \\$NTAP](#)
[Applied Materials Inc Valuation – August 2016 \\$AMAT](#)
[Skyworks Solutions Inc Valuation – August 2016 \\$SWKS](#)
[Garmin Limited Valuation – August 2016 \\$GRMN](#)
[Analog Devices Inc Valuation – August 2016 \\$ADI](#)