

ModernGraham Valuation

Company Name:

Silicon Laboratories

Company Ticker SLAB

Date of Analysis

1/16/2017



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	\$2,930,878,246	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.26	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end		
5. Earnings Growth		-45.75%	Fail
6. Moderate PEmg Ratio	PEmg < 20	59.28	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.67	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	3.26	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.22	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.15
MG Growth Estimate	-1.39%
MG Value	\$6.59
MG Value based on 3% Growth	\$16.69
MG Value based on 0% Growth	\$9.79
Market Implied Growth Rate	25.39%

MG Opinion

Current Price	\$68.25
% of Intrinsic Value	1035.36%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$5.34
Graham Number	\$26.34
PEmg	59.28
Current Ratio	3.26
PB Ratio	3.67
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	
	\$1.63		\$1.15
Dec2015	\$0.69	Dec2015	\$0.94
Dec2014	\$0.87	Dec2014	\$1.10
Dec2013	\$1.14	Dec2013	\$1.24
Dec2012	\$1.47	Dec2012	\$1.27
Dec2011	\$0.79	Dec2011	\$1.33
Dec2010	\$1.57	Dec2010	\$1.60
Dec2009	\$1.57	Dec2009	\$1.52
Dec2008	\$0.67	Dec2008	\$1.38
Dec2007	\$3.64	Dec2007	\$1.56
Dec2006	\$0.54	Dec2006	\$0.52
Dec2005	\$0.32	Dec2005	\$0.42
Dec2004	\$0.58	Dec2004	\$0.39
Dec2003	\$0.86	Dec2003	\$0.25
Dec2002	\$0.41	Dec2002	-\$0.04
Dec2001	-\$0.99	Dec2001	-\$0.20
Dec2000	\$0.29	Dec2000	\$0.16
Dec1999	\$0.25	Balance Sheet Information 9/1/2016	
Dec1998	\$0.00	Total Current Assets	\$468,395,000
Dec1997	\$0.00	Total Current Liabilities	\$143,847,000
Dec1996	\$0.00	Long-Term Debt	\$72,500,000
		Total Assets	\$1,030,216,000
		Intangible Assets	\$373,042,000
		Total Liabilities	\$242,587,000
		Shares Outstanding (Diluted Average)	42,307,000





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

[Intersil Corp Valuation – Initial Coverage \\$ISIL](#)
[iRobot Corp Valuation – Initial Coverage \\$IRBT](#)
[Advanced Micro Devices Inc Valuation – January 2017 \\$AMD](#)
[IPG Photonics Corp Valuation – Initial Coverage \\$IPGP](#)
[Ciena Corporation Valuation – Initial Coverage \\$CIEN](#)
[ScanSource Inc Valuation – Initial Coverage \\$SCSC](#)
[Cognex Corporation Valuation – Initial Coverage \\$CGNX](#)
[AMETEK Inc Valuation – December 2016 \\$AME](#)
[Ingram Micro Inc Valuation – Initial Coverage \\$IM](#)
[Sanmina Corp Valuation – Initial Coverage \\$SANM](#)