ModernGraham Valuation

Company Name:

Super Micro Computer, Inc.



Company Ticker
Date of Analysis

1/28/2017

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.

SMCI

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$1,205,897,364 Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.18 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
5. Earnings Growth beginning and end 179.53% Pass
6. Moderate PEmg Ratio PEmg < 20 18.85 Pass
7. Moderate Price to Assets PB Ratio < 2.5 OR PB*PEmg < 50 1.83 Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.18 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.06 Pass
3. Earnings Stability	Positive EPS for 5 years prior	Pass
Dividend Record	Currently Pays Dividend	Fail
5. Earnings Growth	EPSmg greater than 5 years ago	Pass
	0	

48.95%

Score

Suitability

MG Opinion

Defensive No Enterprising Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.42
MG Growth Estimate	15.00%
MG Value	\$54.54
MG Value based on 3% Growth	\$20.54
MG Value based on 0% Growth	\$12.04
Market Implied Growth Rate	5.17%
Current Price	\$26.70

% of Intrinsic Value

Opinion

Undervalued

MG Grade B-

Stage 3: Information for Further Research

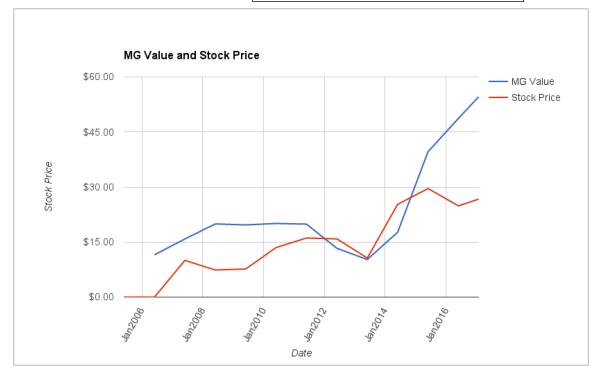
Net Current Asset Value (NCAV)	\$10.02
Graham Number	\$21.83
PEmg	18.85
Current Ratio	2.18
PB Ratio	1.83
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Morningstar

Useful Links: ModernGraham tagged articles

Google FinanceMSN MoneyYahoo FinanceSeeking AlphaGuruFocusSEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate		Next Fiscal Year Estimate	\$1.42
Jun2016	\$1.39	Jun2016	\$1.35
Jun2015	\$2.03	Jun2015	\$1.23
Jun2014	\$1.16	Jun2014	\$0.82
Jun2013	\$0.48	Jun2013	\$0.64
Jun2012	\$0.67	Jun2012	\$0.70
Jun2011	\$0.93	Jun2011	\$0.69
Jun2010	\$0.65	Jun2010	\$0.57
Jun2009	\$0.41	Jun2009	\$0.51
Jun2008	\$0.65	Jun2008	\$0.52
Jun2007	\$0.57	Jun2007	\$0.41
Jun2006	\$0.53	Jun2006	\$0.30
Jun2005	\$0.24	Jun2005	\$0.17
Jun2004	\$0.17	Jun2004	\$0.11
Jun2003	\$0.14	Jun2003	\$0.07
Jun2002	\$0.09	Jun2002	\$0.03
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information	12/1/2016
Dec1999	\$0.00	Total Current Assets	\$1,113,808,000
Dec1998	\$0.00	Total Current Liabilities	\$509,762,000
Dec1997	\$0.00	Long-Term Debt	\$34,732,000
		Total Assets	\$1,349,856,000
		Intangible Assets	\$0
		Total Liabilities	\$597,656,000
		Shares Outstanding (Diluted Average)	51,521,000





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 Akamai Technologies Inc Valuation – January 2017 \$AKAM

<u>Motorola Solutions Inc Valuation – December 2016 \$MSI</u>

Science Applications International Corp Valuation – Initial Coverage \$SAIC

Acxiom Corporation Valuation – November 2016 \$ACXM

ACI Worldwide Inc Valuation - November 2016 \$ACIW

Equinix Inc Valuation - August 2016 \$EQIX

Qualcomm Inc Valuation – August 2016 \$QCOM

Verisign Inc Valuation - August 2016 \$VRSN

Akamai Technologies Inc Valuation - August 2016 \$AKAM

<u>Motorola Solutions Inc Valuation – August 2016 \$MSI</u>