

ModernGraham Valuation

Company Name:

Analog Devices, Inc.

Company Ticker ADI

Date of Analysis

2/28/2017



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.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$25,519,399,599	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	8.91	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	42.91%	Pass
6. Moderate PEmg Ratio	PEmg < 20	30.17	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.83	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	8.91	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.59	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
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.72
MG Growth Estimate	3.43%
MG Value	\$41.71
MG Value based on 3% Growth	\$39.38
MG Value based on 0% Growth	\$23.09
Market Implied Growth Rate	10.83%

MG Opinion

Current Price	\$81.93
% of Intrinsic Value	196.42%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$7.46
Graham Number	\$36.24
PEmg	30.17
Current Ratio	8.91
PB Ratio	4.83
Current Dividend	\$1.68
Dividend Yield	2.05%
Number of Consecutive Years of Dividend Growth	14

Useful Links:

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Google Finance	MSN Money
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GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$3.40		\$2.72
Oct2016	\$2.76	Oct2016	\$2.33
Oct2015	\$2.20	Oct2015	\$2.16
Oct2014	\$1.98	Oct2014	\$2.19
Oct2013	\$2.14	Oct2013	\$2.21
Oct2012	\$2.13	Oct2012	\$2.22
Oct2011	\$2.81	Oct2011	\$2.18
Oct2010	\$2.33	Oct2010	\$1.84
Oct2009	\$0.85	Oct2009	\$1.56
Oct2008	\$2.67	Oct2008	\$1.83
Oct2007	\$1.50	Oct2007	\$1.36
Oct2006	\$1.48	Oct2006	\$1.19
Oct2005	\$1.08	Oct2005	\$1.00
Oct2004	\$1.45	Oct2004	\$0.98
Oct2003	\$0.78	Oct2003	\$0.77
Oct2002	\$0.28	Oct2002	\$0.76
Oct2001	\$0.93	Oct2001	\$0.93
Oct2000	\$1.59	Balance Sheet Information 1/1/2017	
Oct1999	\$0.55	Total Current Assets	\$7,233,733,000
Oct1998	\$0.36	Total Current Liabilities	\$811,626,000
Oct1997	\$0.52	Long-Term Debt	\$3,805,400,000
		Total Assets	\$10,203,371,000
		Intangible Assets	\$2,206,915,000
		Total Liabilities	\$4,896,940,000
		Shares Outstanding (Diluted Average)	313,076,000





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.

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