ModernGraham Valuation

Company Name:

Kulicke and Soffa Industries Inc.



Company Ticker
Date of Analysis

2/11/2017

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.

KLIC

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$1,395,627,439 Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	6.89 Pas
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at	

years using 3 year averages at
5. Earnings Growth beginning and end 84.85% Pass
6. Moderate PEmg Ratio PEmg < 20 23.94 Fail
7. Moderate Price to Assets PB Ratio < 2.5 OR PB*PEmg < 50 1.76 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	6.89 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00 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	Fail

\$20.09

232.02%

Score

Suitability

MG Opinion

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

Current Price

MG Grade

EPSmg	\$0.84
MG Growth Estimate	-4.25%
MG Value	\$8.66
MG Value based on 3% Growth	\$12.17
MG Value based on 0% Growth	\$7.13
Market Implied Growth Rate	7.72%

% of Intrinsic Value

Opinion

Overvalued

Stage 3: Information for Further Research

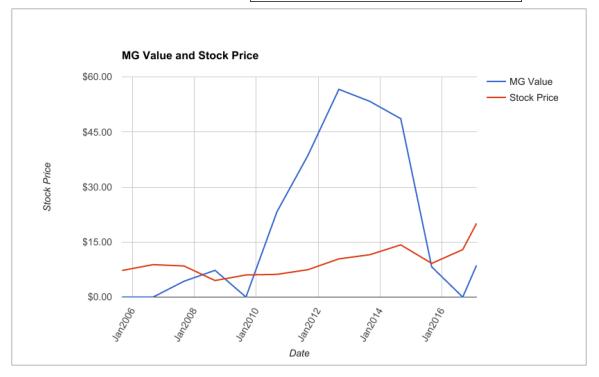
Net Current Asset Value (NCAV)	\$8.66
Graham Number	\$16.92
PEmg	23.94
Current Ratio	6.89
PB Ratio	1.76
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links: ModernGraham tagged articles

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Morningstar

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	•	Next Fiscal Year Estimate	\$0.84
Sep2016	\$0.67	Sep2016	\$0.81
Sep2015	\$0.67	Sep2015	\$0.99
Sep2014	\$0.81	Sep2014	\$1.26
Sep2013	\$0.78	Sep2013	\$1.39
Sep2012	\$2.13	Sep2012	\$1.47
Sep2011	\$1.73	Sep2011	\$1.00
Sep2010	\$1.92	Sep2010	\$0.60
Sep2009	-\$0.67	Sep2009	-\$0.09
Sep2008	\$0.07	Sep2008	\$0.19
Sep2007	\$0.57	Sep2007	\$0.11
Sep2006	\$0.78	Sep2006	-\$0.54
Sep2005	-\$1.51	Sep2005	-\$1.41
Sep2004	\$0.89	Sep2004	-\$1.28
Sep2003	-\$1.54	Sep2003	-\$2.04
Sep2002	-\$5.57	Sep2002	-\$1.89
Sep2001	-\$1.34	Sep2001	\$0.03
Sep2000	\$1.90	Balance Sheet Information	12/1/2016
Sep1999	-\$0.36	Total Current Assets	\$793,661,000
Sep1998	-\$0.12	Total Current Liabilities	\$115,210,000
Sep1997	\$0.89	Long-Term Debt	\$0
		Total Assets	\$992,760,000
		Intangible Assets	\$130,559,000
		Total Liabilities	\$172,291,000
		Shares Outstanding (Diluted Average)	71,763,000





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 Keysight Technologies Inc Valuation - Initial Coverage \$KEYS

<u>Cohu Inc Valuation – Initial Coverage \$COHU</u>

Semtech Corporation Valuation - Initial Coverage \$SMTC

Coherent Inc Valuation - Initial Coverage \$COHR

Apple Inc Valuation - January 2017 \$AAPL

<u>Silicon Laboratories Valuation – Initial Coverage \$SLAB</u>

<u>Itron Inc Valuation – Initial Coverage \$ITRI</u>

<u>Celestica Inc Valuation – Initial Coverage \$TSE:CLS</u>

Intersil Corp Valuation - Initial Coverage \$ISIL

<u>iRobot Corp Valuation – Initial Coverage \$IRBT</u>