

ModernGraham Valuation

Company Name:

Company Ticker KLIC

Date of Analysis

2/11/2017

Kulicke and Soffa
Industries Inc.



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	\$1,395,627,439	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	6.89	Pass
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 beginning and end	84.85%	Pass
5. Earnings Growth			
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.

1. 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
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	\$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%

MG Opinion

Current Price	\$20.09
% of Intrinsic Value	232.02%
Opinion	Overvalued
MG Grade	D

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	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History			EPSmg History		
Next Fiscal Year Estimate			Next Fiscal Year Estimate		
		\$1.10			\$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](#)
[Cohu Inc Valuation – Initial Coverage \\$COHU](#)
[Semtech Corporation Valuation – Initial Coverage \\$SMTC](#)
[Coherent Inc Valuation – Initial Coverage \\$COHR](#)
[Apple Inc Valuation – January 2017 \\$AAPL](#)
[Silicon Laboratories Valuation – Initial Coverage \\$SLAB](#)
[Itron Inc Valuation – Initial Coverage \\$ITRI](#)
[Celestica Inc Valuation – Initial Coverage \\$TSE:CLS](#)
[Intersil Corp Valuation – Initial Coverage \\$ISIL](#)
[iRobot Corp Valuation – Initial Coverage \\$IRBT](#)