ModernGraham Valuation

Micron Technology, Inc.

Company Name:

Company Ticker	MU
Date of Analysis	2/24/2017

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	$25,145,813,202	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.71	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-265.38%	Fail
6. Moderate PEmg Ratio	PEmg < 20	15.02	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.04	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	1.71	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.91	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	**No**
Enterprising	**No**

Stage 2: Determination of Intrinsic Value

EPSmg	$1.54
MG Growth Estimate	15.00%
MG Value	**$59.14**
MG Value based on 3% Growth	$22.27
MG Value based on 0% Growth	$13.06
Market Implied Growth Rate	3.26%

MG Opinion

Current Price	$23.07
% of Intrinsic Value	39.01%
Opinion	**Undervalued**
MG Grade	**C+**

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$5.51
Graham Number	$23.61
PEmg	15.02
Current Ratio	1.71
PB Ratio	2.04
Current Dividend	$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

EPS History		EPSmg History	
Next Fiscal Year Estimate	$2.10	Next Fiscal Year Estimate	$1.54
Aug2016	-$0.27	Aug2016	$1.16
Aug2015	$2.47	Aug2015	$1.60
Aug2014	$2.54	Aug2014	$1.09
Aug2013	$1.13	Aug2013	$0.22
Aug2012	-$1.04	Aug2012	-$0.38
Aug2011	$0.17	Aug2011	-$0.23
Aug2010	$1.85	Aug2010	-$0.45
Aug2009	-$2.35	Aug2009	-$1.33
Aug2008	-$2.10	Aug2008	-$0.64
Aug2007	-$0.42	Aug2007	-$0.04
Aug2006	$0.57	Aug2006	-$0.07
Aug2005	$0.29	Aug2005	-$0.53
Aug2004	$0.24	Aug2004	-$0.75
Aug2003	-$2.11	Aug2003	-$0.98
Aug2002	-$1.51	Aug2002	-$0.33
Aug2001	-$1.05	Aug2001	$0.28
Aug2000	$2.56	**Balance Sheet Information**	**11/1/2016**
Aug1999	-$0.13	Total Current Assets	$9,504,000,000
Aug1998	-$0.58	Total Current Liabilities	$5,546,000,000
Aug1997	$0.72	Long-Term Debt	$7,565,000,000
		Total Assets	$27,836,000,000
		Intangible Assets	$445,000,000
		Total Liabilities	$15,516,000,000
		Shares Outstanding (Diluted Average)	1,091,000,000

MG Value and Stock Price

EPSmg

Price and PEmg

Graham Number and Stock Price

Dividend History

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	Micron Technology Inc. Valuation – November 2015 Update $MU
	30 Companies in the Spotlight This Week – 11/15/14
	Micron Technology Inc. Annual Valuation – 2014 $MU

Other ModernGraham posts about related companies	Amphenol Corp Valuation – February 2017 $APH
	Kopin Corporation Valuation – Initial Coverage $KOPN
	Xilinx Inc Valuation – February 2017 $XLNX
	Western Digital Corporation Valuation – February 2017 $WDC
	Texas Instruments Inc Valuation – February 2017 $TXN
	Knowles Corp Valuation – Initial Coverage $KN
	Cree Inc Valuation – Initial Coverage $CREE
	Cray Inc Valuation – Initial Coverage $CRAY
	Kulicke and Soffa Industries Inc Valuation – Initial Coverage $KLIC
	Keysight Technologies Inc Valuation – Initial Coverage $KEYS