

ModernGraham Valuation

Skyworks Solutions
Inc



Company Name:

Company Ticker SWKS

Date of Analysis

4/12/2017

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	\$17,758,044,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	7.25	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 beginning and end	670.85%	Pass
5. Earnings Growth	PEmg < 20	21.05	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.99	Fail
7. Moderate Price to Assets			

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	7.25	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		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.64
MG Growth Estimate	15.00%
MG Value	\$178.46
MG Value based on 3% Growth	\$67.21
MG Value based on 0% Growth	\$39.40
Market Implied Growth Rate	6.28%

MG Opinion

Current Price	\$97.59
% of Intrinsic Value	54.68%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

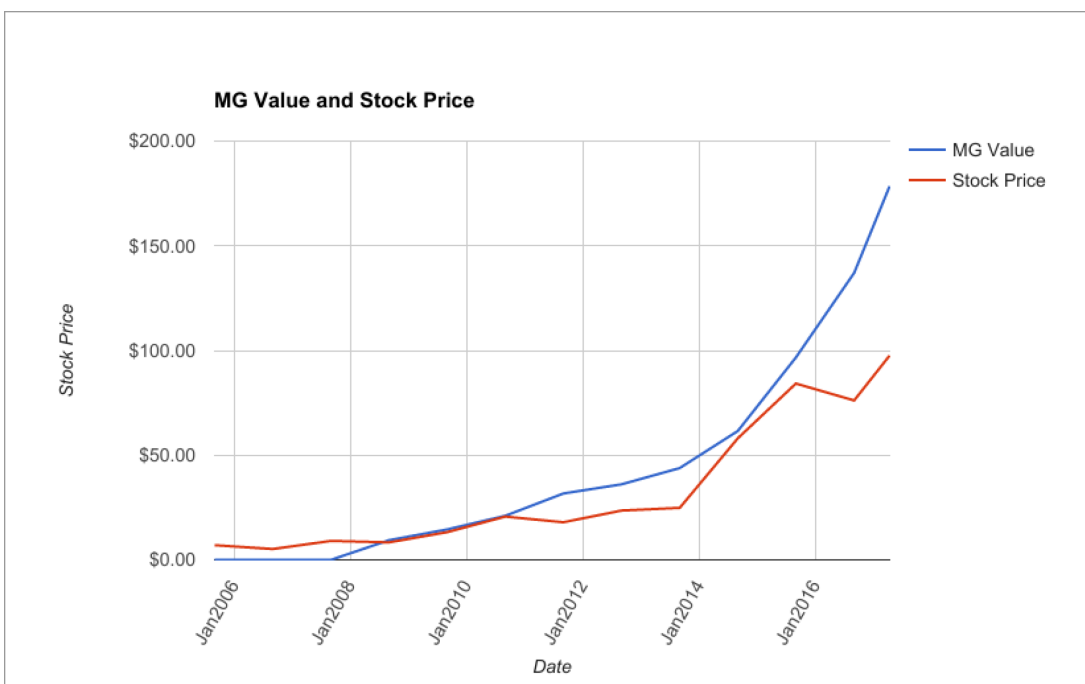
Net Current Asset Value (NCAV)	\$9.57
Graham Number	\$51.83
PEmg	21.05
Current Ratio	7.25
PB Ratio	4.99
Current Dividend	\$1.08
Dividend Yield	1.11%
Number of Consecutive Years of Dividend Growth	4

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.06	Next Fiscal Year Estimate	\$4.64
Sep2016	\$5.18	Sep2016	\$3.56
Sep2015	\$4.10	Sep2015	\$2.51
Sep2014	\$2.38	Sep2014	\$1.60
Sep2013	\$1.45	Sep2013	\$1.14
Sep2012	\$1.05	Sep2012	\$0.94
Sep2011	\$1.19	Sep2011	\$0.82
Sep2010	\$0.75	Sep2010	\$0.55
Sep2009	\$0.56	Sep2009	\$0.38
Sep2008	\$0.68	Sep2008	\$0.24
Sep2007	\$0.36	Sep2007	-\$0.19
Sep2006	-\$0.55	Sep2006	-\$0.57
Sep2005	\$0.16	Sep2005	-\$0.56
Sep2004	\$0.15	Sep2004	-\$0.77
Sep2003	-\$3.24	Sep2003	-\$0.95
Mar2002	-\$0.42	Mar2002	\$0.24
Mar2001	\$0.75	Mar2001	\$0.48
Mar2000	\$0.42	Balance Sheet Information 12/1/2016	
Mar1999	\$0.54	Total Current Assets	\$2,198,500,000
Mar1998	\$0.33	Total Current Liabilities	\$303,400,000
Mar1997	-\$0.53	Long-Term Debt	\$0
		Total Assets	\$4,065,700,000
		Intangible Assets	\$955,300,000
		Total Liabilities	\$405,400,000
		Shares Outstanding (Diluted Average)	187,300,000





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

- [Skyworks Solutions Inc Stock Valuation – February 2016 \\$SWKS](#)
- [10 Best Stocks For Value Investors This Week – 10/31/15](#)
- [Skyworks Solutions Inc. Valuation – October 2015 Update \\$SWKS](#)
- [The Best Stocks of the IT Hardware Industry – September 2015](#)
- [The 16 Best Stocks For Value Investors This Week – 8/1/15](#)

Other ModernGraham posts about related companies

- [Cypress Semiconductor Corp Valuation – Initial Coverage \\$CY](#)
- [Littelfuse Inc Valuation – Initial Coverage \\$LFUS](#)
- [CTS Corporation Valuation – Initial Coverage \\$CTS](#)
- [IT Hardware Industry Review – March 2017](#)
- [Garmin Ltd Valuation – March 2017 \\$GRMN](#)
- [Hewlett Packard Enterprise Co Valuation – Initial Valuation \\$HPE](#)
- [Fortive Corp Valuation – Initial Coverage \\$FTV](#)
- [Analog Devices Inc Valuation – February 2017 \\$ADI](#)
- [Micron Technology Inc Valuation – February 2017 \\$MU](#)
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