

# ModernGraham Valuation

Company Name:

Teradyne, Inc.

Company Ticker TER

Date of Analysis

7/17/2017



## 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	\$6,962,186,770	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.72	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	-310.53%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	37.35	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.59	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	4.72	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.24	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail
	Score		

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.91
MG Growth Estimate	-1.18%
<b>MG Value</b>	<b>\$5.61</b>
MG Value based on 3% Growth	\$13.25
MG Value based on 0% Growth	\$7.77
Market Implied Growth Rate	14.43%

### MG Opinion

Current Price	\$34.14
% of Intrinsic Value	608.23%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

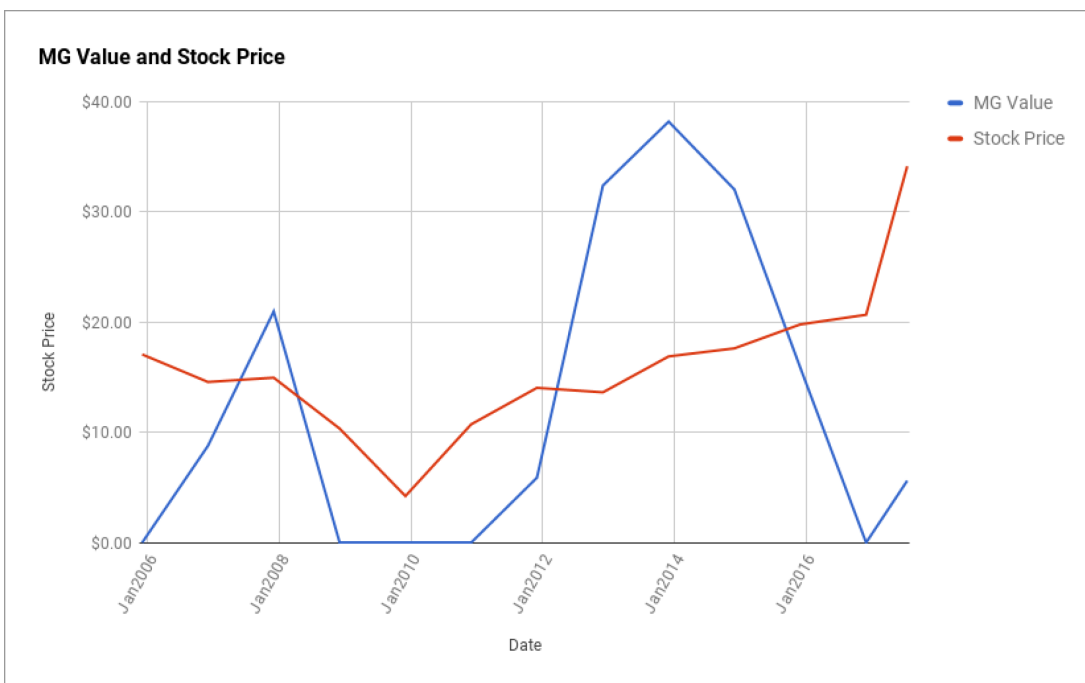
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.61
Graham Number	\$20.53
PEmg	37.35
Current Ratio	4.72
PB Ratio	3.59
Current Dividend	\$0.24
Dividend Yield	0.70%
Number of Consecutive Years of Dividend Growth	3

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.04	Next Fiscal Year Estimate	\$0.91
Dec2016	-\$0.21	Dec2016	\$0.42
Dec2015	\$0.97	Dec2015	\$0.80
Dec2014	\$0.37	Dec2014	\$0.83
Dec2013	\$0.70	Dec2013	\$0.99
Dec2012	\$0.94	Dec2012	\$0.84
Dec2011	\$1.63	Dec2011	\$0.58
Dec2010	\$1.75	Dec2010	\$0.04
Dec2009	-\$0.77	Dec2009	-\$0.62
Dec2008	-\$2.31	Dec2008	-\$0.34
Dec2007	\$0.42	Dec2007	\$0.54
Dec2006	\$1.01	Dec2006	\$0.23
Dec2005	\$0.46	Dec2005	-\$0.43
Dec2004	\$0.84	Dec2004	-\$0.77
Dec2003	-\$1.03	Dec2003	-\$1.22
Dec2002	-\$3.93	Dec2002	-\$0.93
Dec2001	-\$1.15	Dec2001	\$0.63
Dec2000	\$2.51	<b>Balance Sheet Information 3/1/2017</b>	
Dec1999	\$1.07	Total Current Assets	\$1,854,153,000
Dec1998	\$0.59	Total Current Liabilities	\$393,057,000
Dec1997	\$0.74	Long-Term Debt	\$355,937,000
		Total Assets	\$2,842,280,000
		Intangible Assets	\$324,908,000
		Total Liabilities	\$922,427,000
		Shares Outstanding (Diluted Average)	201,936,000





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
- [Tech Data Corp Valuation – Initial Coverage \\$TECD](#)
  - [Teledyne Technologies Inc Valuation – Initial Coverage \\$TDY](#)
  - [Skyworks Solutions Inc Valuation – April 2017 \\$SWKS](#)
  - [Daktronics Inc Valuation – Initial Coverage \\$DAKT](#)
  - [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](#)