

ModernGraham Valuation

Company Name:

QUALCOMM, Inc.

Company Ticker QCOM

Date of Analysis

5/20/2018



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	\$85,265,605,984	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.60	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-45.49%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	51.90	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.61	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	3.60	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.59	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 Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.11
MG Growth Estimate	-4.25%
MG Value	\$3.51
MG Value based on 3% Growth	\$16.07
MG Value based on 0% Growth	\$9.42
Market Implied Growth Rate	21.70%

MG Opinion

Current Price	\$57.51
% of Intrinsic Value	1640.63%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.51
Graham Number	\$0.00
PEmg	51.90
Current Ratio	3.60
PB Ratio	3.61
Current Dividend	\$2.20
Dividend Yield	3.83%
Number of Consecutive Years of Dividend Growth	15

Useful Links:

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Google Finance	MSN Money
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GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Sep2017	\$1.65	Sep2017	\$3.09
Sep2016	\$3.81	Sep2016	\$3.81
Sep2015	\$3.22	Sep2015	\$3.73
Sep2014	\$4.65	Sep2014	\$3.76
Sep2013	\$3.91	Sep2013	\$3.07
Sep2012	\$3.51	Sep2012	\$2.49
Sep2011	\$2.52	Sep2011	\$1.94
Sep2010	\$1.96	Sep2010	\$1.64
Sep2009	\$0.95	Sep2009	\$1.49
Sep2008	\$1.90	Sep2008	\$1.68
Sep2007	\$1.95	Sep2007	\$1.46
Sep2006	\$1.44	Sep2006	\$1.10
Sep2005	\$1.26	Sep2005	\$0.80
Sep2004	\$1.03	Sep2004	\$0.50
Sep2003	\$0.51	Sep2003	\$0.22
Sep2002	\$0.22	Sep2002	\$0.08
Sep2001	-\$0.38	Balance Sheet Information	
Sep2000	\$0.43	3/1/2018	
Sep1999	\$0.16	Total Current Assets	\$45,544,000,000
Sep1998	\$0.09	Total Current Liabilities	\$12,660,000,000
		Long-Term Debt	\$19,361,000,000
		Total Assets	\$64,126,000,000
		Intangible Assets	\$10,111,000,000
		Total Liabilities	\$40,307,000,000
		Shares Outstanding (Diluted Average)	1,494,000,000





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.

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