ModernGraham Valuation

Company Name:

IPG Photonics Corporation



Company Ticker

Date of Analysis 6/1/2018

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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$13,261,465,405 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	9.54 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	432.79% Pass
Moderate PEmg Ratio	PEmg < 20	39.29 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.35 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	9.54 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.03 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	Pass
	Coore	

Suitability

Defensive No Yes Enterprising

Stage 2: Determination of Intrinsic Value

EPSmg	\$6.29
MG Growth Estimate	15.00%
MG Value	\$242.01
MG Value based on 3% Growth	\$91.15
MG Value based on 0% Growth	\$53.43
Market Implied Growth Rate	15.40%

MG Opinion

Current Price	\$246.98
% of Intrinsic Value	102.05%

Opinion **Fairly Valued**

MG Grade C+

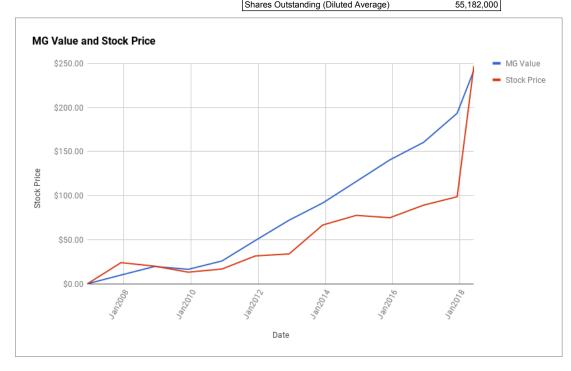
Stage 3: Information for Further Research

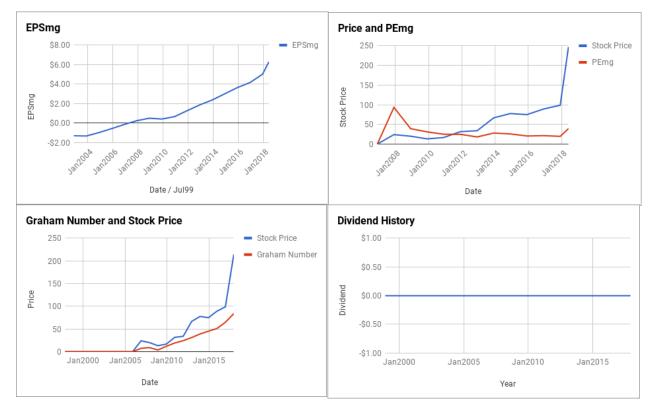
Net Current Asset Value (NCAV)	\$27.40
Graham Number	\$83.87
PEmg	39.29
Current Ratio	9.54
PB Ratio	6.35
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$8.29	Next Fiscal Year Estimate	\$6.29
Dec2017	\$6.36	Dec2017	\$5.02
Dec2016	\$4.85	Dec2016	\$4.17
Dec2015	\$4.53	Dec2015	\$3.65
Dec2014	\$3.79	Dec2014	\$3.0
Dec2013	\$2.97	Dec2013	\$2.38
Dec2012	\$2.81	Dec2012	\$1.87
Dec2011	\$2.41	Dec2011	\$1.28
Dec2010	\$1.13	Dec2010	\$0.6
Dec2009	\$0.12	Dec2009	\$0.4
Dec2008	\$0.79	Dec2008	\$0.5
Dec2007	\$0.65	Dec2007	\$0.2
Dec2006	\$0.26	Dec2006	-\$0.1
Dec2005	\$0.16	Dec2005	-\$0.5
Dec2004	\$0.01	Dec2004	-\$0.9
Dec2003	-\$0.93	Dec2003	-\$1.3
Dec2002	-\$2.13	Dec2002	-\$1.2
Dec2001	-\$2.17	Balance Sheet Information	3/1/201
Dec2000	\$0.00	Total Current Assets	\$1,864,886,00
Dec1999	\$0.00	Total Current Liabilities	\$195,560,00
Dec1998	\$0.00	Long-Term Debt	\$44,466,000
		Total Assets	\$2,498,007,000
		Intangible Assets	\$104,989,000
		Total Liabilities	\$352,638,000
		Shares Outstanding (Diluted Average)	55,182,000





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 5 Undervalued Stocks for Value Investors with a High Beta – January 2017

IPG Photonics Corp Valuation - Initial Coverage \$IPGP

Other ModernGraham posts about related companies <u>Micron Technology Inc Valuation – May 2018 \$MU</u> <u>Amphenol Corp Valuation – May 2018 \$APH</u>

Xilinx Inc Valuation – May 2018 \$XLNX

Western Digital Corp Valuation – May 2018 \$WDC
Texas Instruments Inc Valuation – May 2018 \$TXN
Qualcomm Inc Valuation – May 2018 \$QCOM

Advanced Micro Devices Inc Valuation - May 2018 \$AMD

Ametek Inc Valuation – April 2018 \$AME Qorvo Inc Valuation – April 2018 \$QRVO

FLIR Systems Inc Valuation - April 2018 \$FLIR