# **ModernGraham Valuation**

## **Company Name:**

Company Ticker LRCX Date of Analysis



### Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

6/29/2018

Lam Research

Corporation

Delenence investor, i	nust pass 6 out of the following 7 tests.		
	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$28,177,656,591 Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.64 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	
	5. Earnings Growth	years using 3 year averages at beginning and end	330.21% Pass
	6. Moderate PEmg Ratio	PEmg < 20	21.19 Fail
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.57 Fail
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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	2.64 Pass
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.29 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	Pass
		Score	
Suitability			
	Defensive	No	
	Defensive Enterprising	NO Yes	
	Enterprising		
Stage 2: Dete			
Stage 2: Dete	Enterprising		
Stage 2: Dete	Enterprising rmination of Intrinsic Value	Yes	
Stage 2: Dete	Enterprising rmination of Intrinsic Value EPSmg	Yes \$8.16	
Stage 2: Dete	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate	Yes \$8.16 15.00%	
Stage 2: Dete	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value	Yes \$8.16 15.00% \$314.01	
Stage 2: Dete	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth	Yes \$8.16 15.00% \$314.01 \$118.26	
Stage 2: Dete	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth	Yes \$8.16 15.00% \$314.01 \$118.26 \$69.33	
-	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth	Yes \$8.16 15.00% \$314.01 \$118.26 \$69.33	
-	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value	Yes \$8.16 15.00% \$314.01 \$118.26 \$69.33 6.35% \$172.85 55.05%	
-	Enterprising rmination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price	Yes \$8.16 15.00% \$314.01 \$118.26 \$69.33 6.35% \$172.85	

#### Stage 3: Information for Further Research

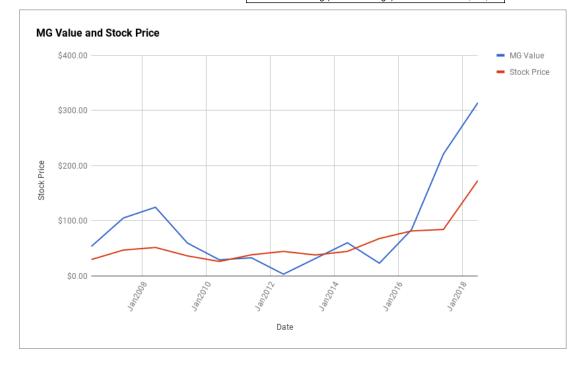
Net Current Asset Value (NCAV)	\$19.83
Graham Number	\$105.52
PEmg	21.19
Current Ratio	2.64
PB Ratio	4.57
Current Dividend	\$1.65
Dividend Yield	0.95%
Number of Consecutive Years of Dividend Growth	4

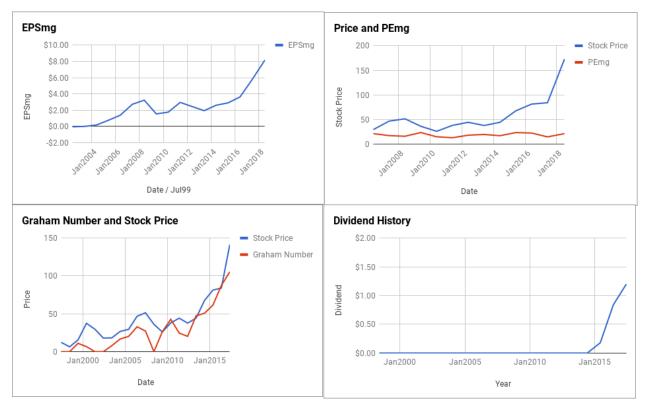
Useful Links:

ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus

Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$11.74	Next Fiscal Year Estimate	\$8.16
Jun2017	\$9.24	Jun2017	\$5.74
Jun2016	\$5.22	Jun2016	\$3.63
Jun2015	\$3.70	Jun2015	\$2.90
Jun2014	\$3.62	Jun2014	\$2.61
Jun2013	\$0.66	Jun2013	\$1.94
Jun2012	\$1.35	Jun2012	\$2.45
Jun2011	\$5.79	Jun2011	\$2.96
Jun2010	\$2.71	Jun2010	\$1.76
Jun2009	-\$2.41	Jun2009	\$1.54
Jun2008	\$3.47	Jun2008	\$3.23
Jun2007	\$4.85	Jun2007	\$2.72
Jun2006	\$2.33	Jun2006	\$1.39
Jun2005	\$2.09	Jun2005	\$0.76
Jun2004	\$0.54	Jun2004	\$0.18
Jun2003	-\$0.06	Jun2003	\$0.0
Jun2002	-\$0.71	Jun2002	-\$0.04
Jun2001	\$0.39	Balance Sheet Information	3/1/2018
Jun2000	\$1.53	Total Current Assets	\$10,425,797,000
Jun1999	-\$0.98	Total Current Liabilities	\$3,948,420,000
Jun1998	-\$1.27	Long-Term Debt	\$1,862,704,000
		Total Assets	\$13,663,499,000
		Intangible Assets	\$1,825,891,000
		Total Liabilities	\$6,860,444,000
		Shares Outstanding (Diluted Average)	179,779,000





#### 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	Lam Research Corp Valuation – September 2017 \$LRCX
ModernGraham posts about the	12 Best Stocks For Value Investors This Week – 7/1/16
company	Lam Research Corp Valuation – June 2016 \$LRCX
	<u>19 Best Stocks For Value Investors This Week – 1/9/16</u>
	Lam Research Corp Valuation – January 2016 Update \$LRCX

Other	Skyworks Solutions Inc Valuation – June 2018 \$SWKS
ModernGraham posts about related companies	<u>Skyworks Solutions inc Valuation – June 2016 \$5WKS</u>
	Garmin Ltd Valuation – June 2018 \$GRMN
	Hewlett Packard Enterprise Co Valuation – June 2018 \$HPE
	Fortive Corp Valuation – June 2018 \$FTV
	Analog Devices Inc Valuation – June 2018 \$ADI
	IPG Photonics Corp Valuation – June 2018 \$IPGP
	Micron Technology Inc Valuation – May 2018 \$MU
	Amphenol Corp Valuation – May 2018 \$APH
	Xilinx Inc Valuation – May 2018 \$XLNX
	Western Digital Corp Valuation – May 2018 \$WDC