

ModernGraham Valuation

Skyworks Solutions
Inc



Company Name:

Company Ticker SWKS

Date of Analysis

6/25/2018

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	\$17,674,833,995	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	8.83	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	603.20%	Pass
5. Earnings Growth	PEmg < 20	17.66	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.41	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	8.83	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	\$5.51
MG Growth Estimate	15.00%
MG Value	\$212.29
MG Value based on 3% Growth	\$79.95
MG Value based on 0% Growth	\$46.87
Market Implied Growth Rate	4.58%

MG Opinion

Current Price	\$97.38
% of Intrinsic Value	45.87%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$11.59
Graham Number	\$59.10
PEmg	17.66
Current Ratio	8.83
PB Ratio	4.41
Current Dividend	\$1.16
Dividend Yield	1.19%
Number of Consecutive Years of Dividend Growth	4

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Sep2017	\$6.99	Sep2017	\$5.51
Sep2016	\$5.41	Sep2016	\$4.42
Sep2015	\$5.18	Sep2015	\$3.56
Sep2014	\$4.10	Sep2014	\$2.51
Sep2013	\$2.38	Sep2013	\$1.60
Sep2012	\$1.45	Sep2012	\$1.14
Sep2011	\$1.05	Sep2011	\$0.94
Sep2010	\$1.19	Sep2010	\$0.82
Sep2009	\$0.75	Sep2009	\$0.55
Sep2008	\$0.56	Sep2008	\$0.38
Sep2007	\$0.68	Sep2007	\$0.24
Sep2006	\$0.36	Sep2006	-\$0.19
Sep2005	-\$0.55	Sep2005	-\$0.57
Sep2004	\$0.16	Sep2004	-\$0.56
Sep2003	\$0.15	Sep2003	-\$0.77
Sep2002	-\$3.24	Sep2002	-\$0.95
Mar2002	-\$0.42	Mar2002	\$0.24
Mar2001	\$0.75	Balance Sheet Information 3/1/2018	
Mar2000	\$0.42	Total Current Assets	\$2,810,900,000
Mar1999	\$0.54	Total Current Liabilities	\$318,500,000
Mar1998	\$0.33	Long-Term Debt	\$0
		Total Assets	\$4,745,100,000
		Intangible Assets	\$945,700,000
		Total Liabilities	\$674,900,000
		Shares Outstanding (Diluted Average)	184,300,000





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.

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