

ModernGraham Valuation

Company Name:

Cognex Corporation

Company Ticker CGNX

Date of Analysis

7/23/2018



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	\$7,736,027,540	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	5.93	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	288.16%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	45.29	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.47	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	5.93	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.99
MG Growth Estimate	14.96%
MG Value	\$38.01
MG Value based on 3% Growth	\$14.35
MG Value based on 0% Growth	\$8.41
Market Implied Growth Rate	18.40%

MG Opinion

Current Price	\$44.81
% of Intrinsic Value	117.89%
Opinion	Overvalued
MG Grade	C

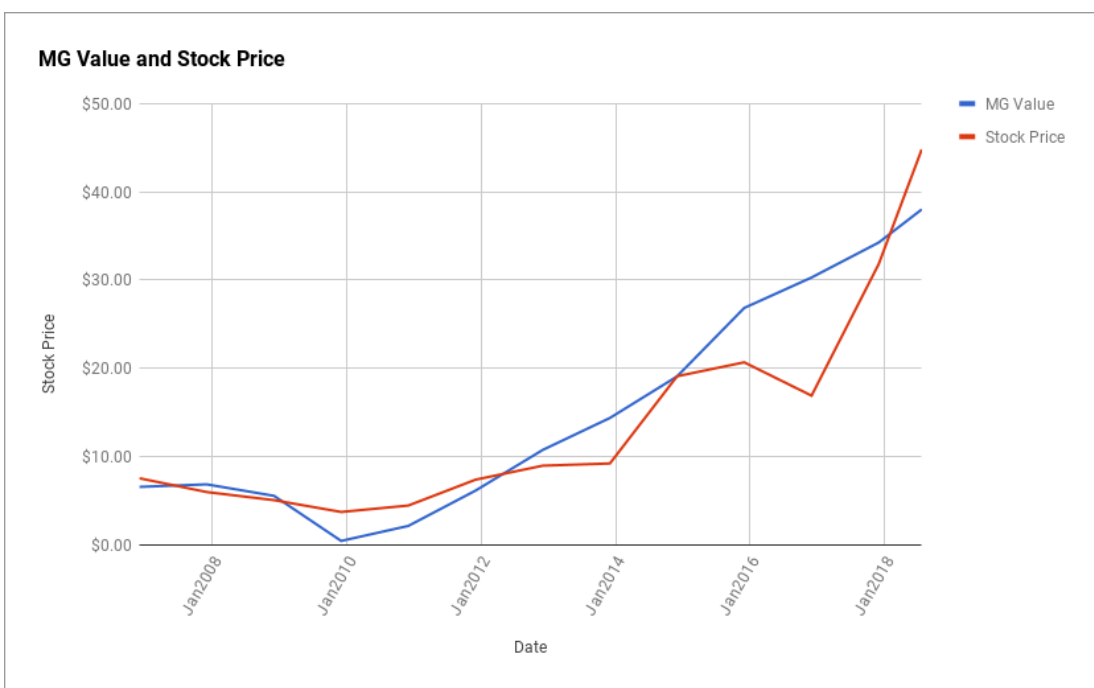
Stage 3: Information for Further Research

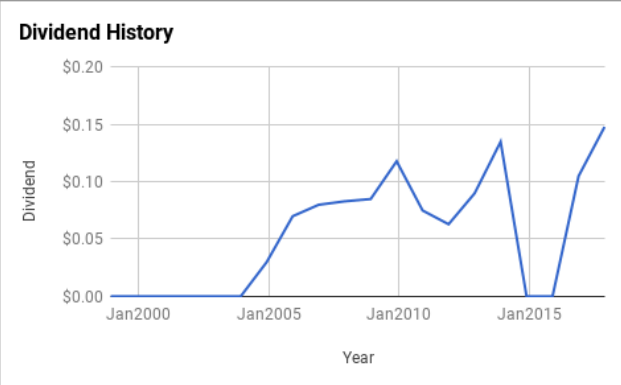
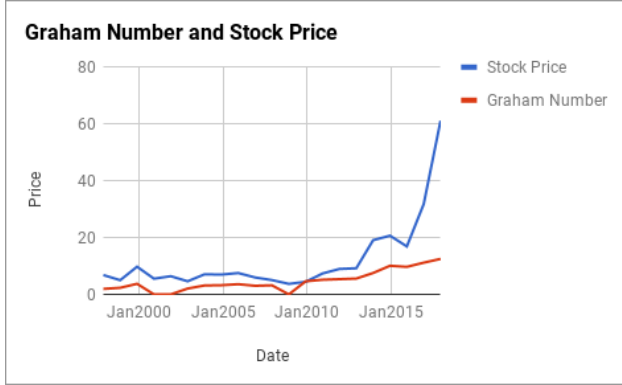
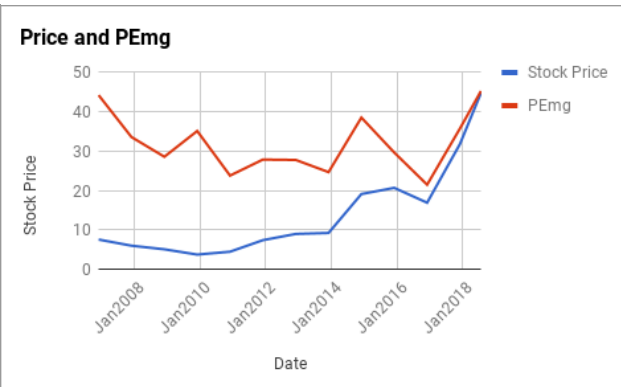
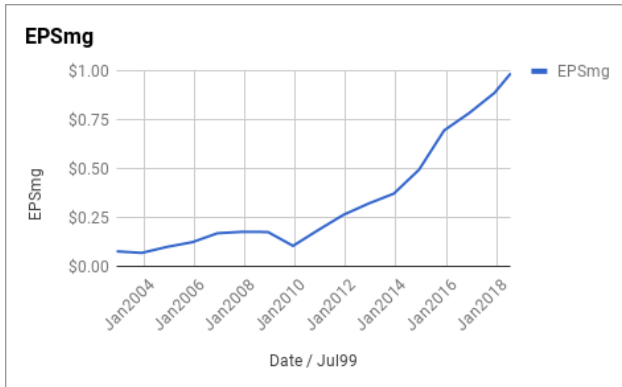
Net Current Asset Value (NCAV)	\$2.66
Graham Number	\$12.50
PEmg	45.29
Current Ratio	5.93
PB Ratio	7.47
Current Dividend	\$0.17
Dividend Yield	0.37%
Number of Consecutive Years of Dividend Growth	3

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	\$1.10	Next Fiscal Year Estimate	\$0.99
Dec2017	\$0.99	Dec2017	\$0.89
Dec2016	\$0.86	Dec2016	\$0.79
Dec2015	\$1.06	Dec2015	\$0.70
Dec2014	\$0.68	Dec2014	\$0.50
Dec2013	\$0.42	Dec2013	\$0.37
Dec2012	\$0.39	Dec2012	\$0.32
Dec2011	\$0.41	Dec2011	\$0.26
Dec2010	\$0.38	Dec2010	\$0.19
Dec2009	-\$0.03	Dec2009	\$0.11
Dec2008	\$0.17	Dec2008	\$0.18
Dec2007	\$0.15	Dec2007	\$0.18
Dec2006	\$0.21	Dec2006	\$0.17
Dec2005	\$0.19	Dec2005	\$0.12
Dec2004	\$0.20	Dec2004	\$0.10
Dec2003	\$0.09	Dec2003	\$0.07
Dec2002	-\$0.04	Dec2002	\$0.08
Dec2001	-\$0.06	Balance Sheet Information 3/1/2018	
Dec2000	\$0.37	Total Current Assets	\$670,549,000
Dec1999	\$0.17	Total Current Liabilities	\$113,018,000
Dec1998	\$0.12	Long-Term Debt	\$0
		Total Assets	\$1,268,915,000
		Intangible Assets	\$125,628,000
		Total Liabilities	\$191,816,000
		Shares Outstanding (Diluted Average)	179,641,000





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 [9 Best Stocks for Value Investors This Week – 12/17/16](#)
[Cognex Corporation Valuation – Initial Coverage \\$CGNX](#)

Other ModernGraham posts about related companies [Sanmina Corp Valuation – July 2018 \\$SANM](#)
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