

ModernGraham Valuation

Company Name:

Sanmina Corp

Company Ticker SANM

Date of Analysis

7/8/2018



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	\$2,040,326,374	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.56	Fail
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	442.19%	Pass
5. Earnings Growth	PEmg < 20	20.82	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.53	Pass
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	1.56	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.41	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.46
MG Growth Estimate	-1.70%
MG Value	\$7.46
MG Value based on 3% Growth	\$21.17
MG Value based on 0% Growth	\$12.41
Market Implied Growth Rate	6.16%

MG Opinion

Current Price	\$30.40
% of Intrinsic Value	407.48%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.81
Graham Number	\$0.00
PEmg	20.82
Current Ratio	1.56
PB Ratio	1.53
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	\$1.46
Sep2017	\$1.78	Sep2017	\$2.47
Sep2016	\$2.38	Sep2016	\$2.69
Sep2015	\$4.41	Sep2015	\$2.60
Sep2014	\$2.27	Sep2014	\$1.65
Sep2013	\$0.93	Sep2013	\$1.14
Sep2012	\$2.16	Sep2012	\$0.65
Sep2011	\$0.83	Sep2011	-\$1.26
Sep2010	\$1.48	Sep2010	-\$2.88
Sep2009	-\$1.67	Sep2009	-\$5.62
Sep2008	-\$5.52	Sep2008	-\$7.24
Sep2007	-\$12.90	Sep2007	-\$7.37
Sep2006	-\$1.62	Sep2006	-\$6.43
Sep2005	-\$11.94	Sep2005	-\$9.09
Sep2004	-\$0.60	Sep2004	-\$7.25
Sep2003	-\$2.58	Sep2003	-\$9.02
Sep2002	-\$33.60	Sep2002	-\$9.89
Sep2001	\$0.72	Balance Sheet Information 3/1/2018	
Sep2000	\$3.90	Total Current Assets	\$2,670,518,000
Sep1999	\$2.10	Total Current Liabilities	\$1,717,359,000
Sep1998	\$0.84	Long-Term Debt	\$393,236,000
		Total Assets	\$3,779,355,000
		Intangible Assets	\$0
		Total Liabilities	\$2,316,365,000
		Shares Outstanding (Diluted Average)	73,582,000





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

- [10 Undervalued Stocks for the Enterprising Investor – January 2017](#)
- [8 Best Stocks for Value Investors of the Week – 12/10/16](#)
- [Sanmina Corp Valuation – Initial Coverage \\$SANM](#)

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