ModernGraham Valuation

Company Name:

Silicon Laboratories



Company Ticker SLAB

Date of Analysis 7/31/2018

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	\$4,295,660,605 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	5.58 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	
5. Earnings Growth	beginning and end	35.62% Pass
6. Moderate PEmg Ratio	PEmg < 20	57.36 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.10 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	5.58 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.55 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

Score

Suitability

MG Opinion

Defensive No Enterprising Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.66
MG Growth Estimate	7.69%
MG Value	\$39.65
MG Value based on 3% Growth	\$24.08
MG Value based on 0% Growth	\$14.12
Market Implied Growth Rate	24.43%

Current Price % of Intrinsic Value

\$95.25 240.25%

Opinion Overvalued MG Grade

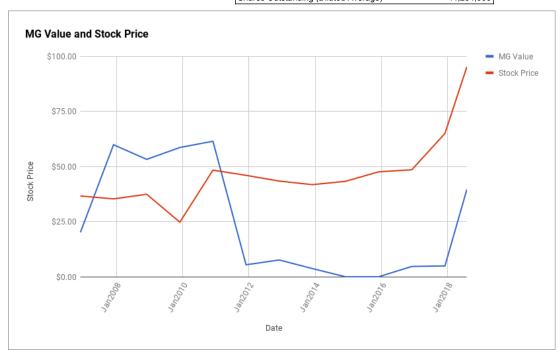
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.78
Graham Number	\$37.43
PEmg	57.36
Current Ratio	5.58
PB Ratio	4.10
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 <u>GuruFocus</u> **SEC Filings**

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	•	Next Fiscal Year Estimate	\$1.66
Dec2017	\$1.09	Dec2017	\$1.08
Dec2016	\$1.45	Dec2016	\$1.09
Dec2015	\$0.69	Dec2015	\$0.94
Dec2014	\$0.87	Dec2014	\$1.10
Dec2013	\$1.14	Dec2013	\$1.24
Dec2012	\$1.47	Dec2012	\$1.27
Dec2011	\$0.79	Dec2011	\$1.33
Dec2010	\$1.57	Dec2010	\$1.60
Dec2009	\$1.57	Dec2009	\$1.52
Dec2008	\$0.67	Dec2008	\$1.38
Dec2007	\$3.64	Dec2007	\$1.56
Dec2006	\$0.54	Dec2006	\$0.52
Dec2005	\$0.32	Dec2005	\$0.42
Dec2004	\$0.58	Dec2004	\$0.39
Dec2003	\$0.86	Dec2003	\$0.25
Dec2002	\$0.41	Dec2002	-\$0.04
Dec2001	-\$0.99	Balance Sheet Information	6/1/2018
Dec2000	\$0.29	Total Current Assets	\$775,915,000
Dec1999	\$0.25	Total Current Liabilities	\$139,080,000
Dec1998	\$0.00	Long-Term Debt	\$348,233,000
		Total Assets	\$1,592,611,000
		Intangible Assets	\$589,290,000
		Total Liabilities	\$564,143,000
		Shares Outstanding (Diluted Average)	44,294,000





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 of the Worst Stocks to Invest In – February 2017 Silicon Laboratories Valuation – Initial Coverage \$SLAB

Other ModernGraham posts about related companies

Celestica Inc Valuation – July 2018 \$TSE-CLS
Ciena Corp Valuation – July 2018 \$CIEN
iRobot Corp Valuation – July 2018 \$IRBT
ScanSource Inc Valuation – July 2018 \$SCSC
Cognex Corp Valuation – July 2018 \$CGNX
Sanmina Corp Valuation – July 2018 \$SANM
II-VI Inc Valuation – July 2018 \$IIVI
CEVA Inc Valuation – July 2018 \$CEVA
MTS Systems Corp Valuation – June 2018 \$MTSC

Itron Inc Valuation - July 2018 \$ITRI