

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.

1. 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 beginning and end	35.62%	Pass
5. Earnings Growth	PEmg < 20	57.36	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.10	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	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

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%

MG Opinion

Current Price	\$95.25
% of Intrinsic Value	240.25%
Opinion	Overvalued
MG Grade	C-

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
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	\$1.66
Dec2017	\$2.79	Dec2017	\$1.08
Dec2016	\$1.09	Dec2016	\$1.09
Dec2015	\$1.45	Dec2015	\$0.94
Dec2014	\$0.69	Dec2014	\$1.10
Dec2013	\$0.87	Dec2013	\$1.24
Dec2012	\$1.14	Dec2012	\$1.27
Dec2011	\$1.47	Dec2011	\$1.33
Dec2010	\$0.79	Dec2010	\$1.60
Dec2009	\$1.57	Dec2009	\$1.52
Dec2008	\$1.57	Dec2008	\$1.38
Dec2007	\$0.67	Dec2007	\$1.56
Dec2006	\$3.64	Dec2006	\$0.52
Dec2005	\$0.54	Dec2005	\$0.42
Dec2004	\$0.32	Dec2004	\$0.39
Dec2003	\$0.58	Dec2003	\$0.25
Dec2002	\$0.86	Dec2002	-\$0.04
Dec2001	\$0.41	Balance Sheet Information 6/1/2018	
Dec2000	-\$0.99	Total Current Assets	\$775,915,000
Dec1999	\$0.29	Total Current Liabilities	\$139,080,000
Dec1998	\$0.25	Long-Term Debt	\$348,233,000
Dec1998	\$0.00	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:

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ModernGraham
posts about the
company

[5 of the Worst Stocks to Invest In – February 2017](#)
[Silicon Laboratories Valuation – Initial Coverage \\$SLAB](#)

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[II-VI Inc Valuation – July 2018 \\$IIVI](#)
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