

# ModernGraham Valuation

Company Name:

Synopsys, Inc.

Company Ticker SNPS

Date of Analysis

2/8/2019



## 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	\$14,801,985,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.73	Fail
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	86.56%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	37.26	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.38	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	0.73	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-0.22	Fail
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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.66
MG Growth Estimate	11.76%
<b>MG Value</b>	<b>\$85.11</b>
MG Value based on 3% Growth	\$38.53
MG Value based on 0% Growth	\$22.59
Market Implied Growth Rate	14.38%

### MG Opinion

Current Price	\$99.01
% of Intrinsic Value	116.34%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D</b>

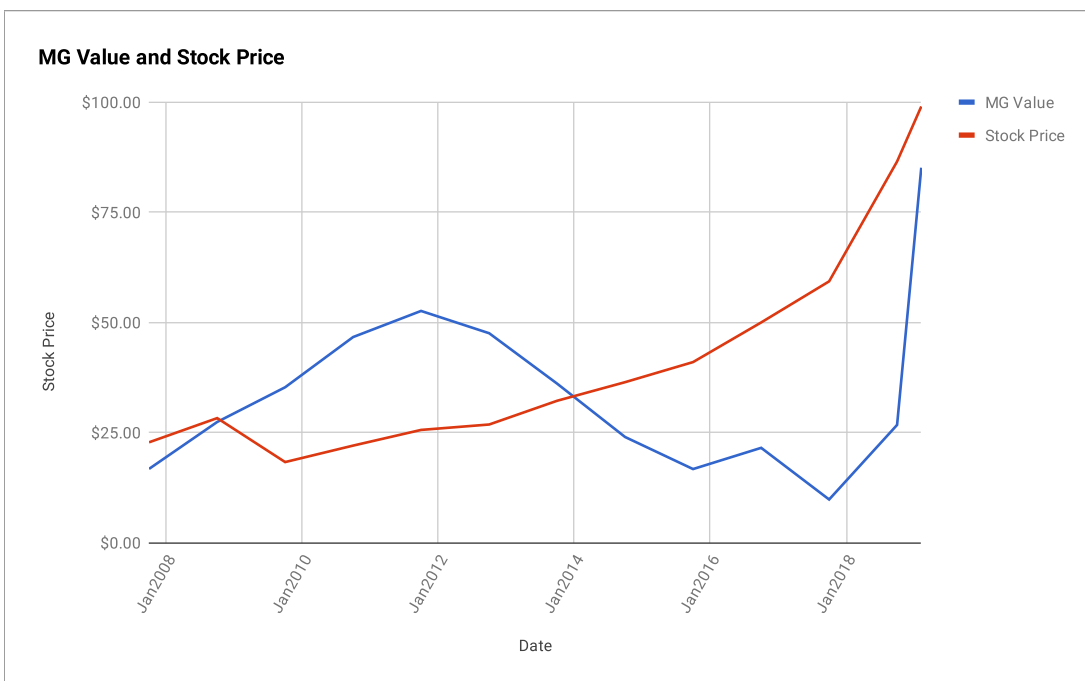
## Stage 3: Information for Further Research

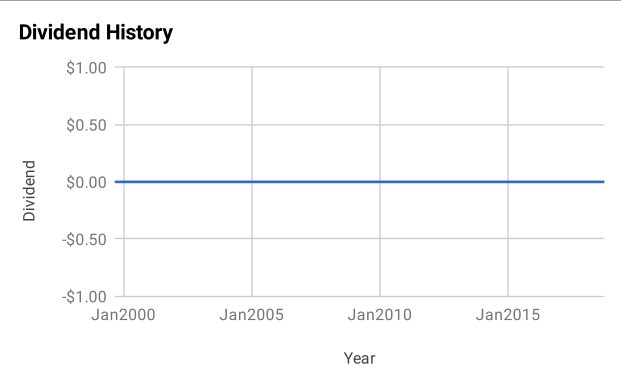
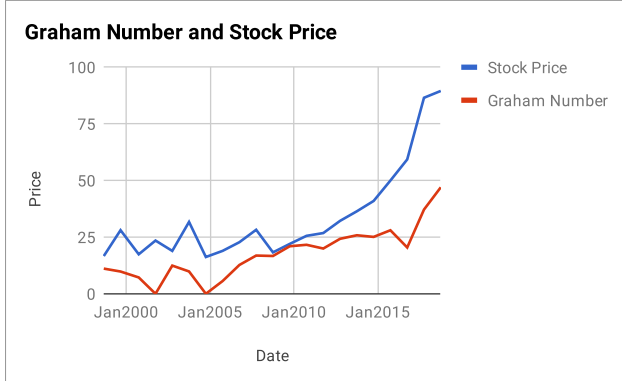
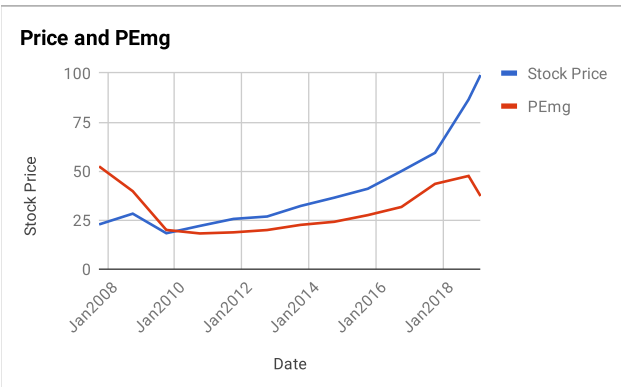
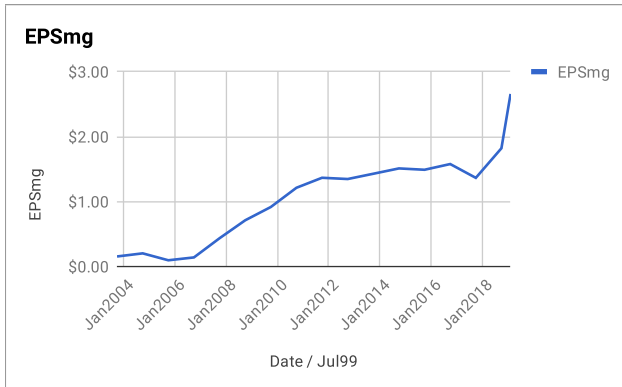
Net Current Asset Value (NCAV)	-\$7.24
Graham Number	\$46.99
PEmg	37.26
Current Ratio	0.73
PB Ratio	4.38
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.21	Next Fiscal Year Estimate	\$2.66
Oct2018	\$2.82	Oct2018	\$1.82
Oct2017	\$0.88	Oct2017	\$1.36
Oct2016	\$1.73	Oct2016	\$1.58
Oct2015	\$1.43	Oct2015	\$1.49
Oct2014	\$1.64	Oct2014	\$1.51
Oct2013	\$1.58	Oct2013	\$1.43
Oct2012	\$1.21	Oct2012	\$1.35
Oct2011	\$1.47	Oct2011	\$1.37
Oct2010	\$1.56	Oct2010	\$1.21
Oct2009	\$1.15	Oct2009	\$0.92
Oct2008	\$1.29	Oct2008	\$0.71
Oct2007	\$0.87	Oct2007	\$0.43
Oct2006	\$0.17	Oct2006	\$0.14
Oct2005	-\$0.12	Oct2005	\$0.10
Oct2004	\$0.47	Oct2004	\$0.20
Oct2003	\$0.91	Oct2003	\$0.15
Oct2002	-\$1.51	<b>Balance Sheet Information 10/1/2018</b>	
Oct2001	\$0.44	Total Current Assets	\$1,543,797,000
Oct2000	\$0.69	Total Current Liabilities	\$2,102,415,000
Sep1999	\$1.10	Long-Term Debt	\$125,535,000
		Total Assets	\$6,145,974,000
		Intangible Assets	\$3,503,653,000
		Total Liabilities	\$2,660,959,000
		Shares Outstanding (Diluted Average)	154,218,000





**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**  
[Synopsys Inc Valuation – April 2018 \\$SNPS](#)  
[Synopsys Inc Valuation – Initial Coverage \\$SNPS](#)

**Other ModernGraham posts about related companies**  
[Intuit Inc Valuation – February 2019 \\$INTU](#)  
[Adobe Inc Valuation – February 2019 \\$ADBE](#)  
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[F5 Networks Inc Valuation – February 2019 \\$FFIV](#)  
[Cadence Design Systems Inc Valuation – January 2019 \\$CDNS](#)  
[Oracle Corporation Valuation – January 2019 \\$ORCL](#)  
[Red Hat Inc Valuation – January 2019 \\$RHT](#)  
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