# **ModernGraham Valuation**

# **Company Name:**

Analog Devices, Inc.



Company Ticker ADI

Date of Analysis 3/15/2019

## 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	\$40,551,370,837 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.34 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	55.98% Pass
Moderate PEmg Ratio	PEmg < 20	29.32 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.54 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. S	ufficiently Strong Financial Condition	Current Ratio > 1.5	2.34	Pass
2. S	ufficiently Strong Financial Condition	Debt to NCA < 1.1	5.49	Fail
3. E	arnings Stability	Positive EPS for 5 years prior		Pass
4. D	ividend Record	Currently Pays Dividend		Pass
5. E	arnings Growth	EPSmg greater than 5 years ago		Pass

95.74%

Score

Suitability

MG Opinion

Defensive No Enterprising Yes

#### Stage 2: Determination of Intrinsic Value

EPSmg	\$3.75
MG Growth Estimate	11.06%
MG Value	\$114.96
MG Value based on 3% Growth	\$54.43
MG Value based on 0% Growth	\$31.91
Market Implied Growth Rate	10.41%
Current Price	\$110.06

% of Intrinsic Value Opinion **Fairly Valued** 

### Stage 3: Information for Further Research

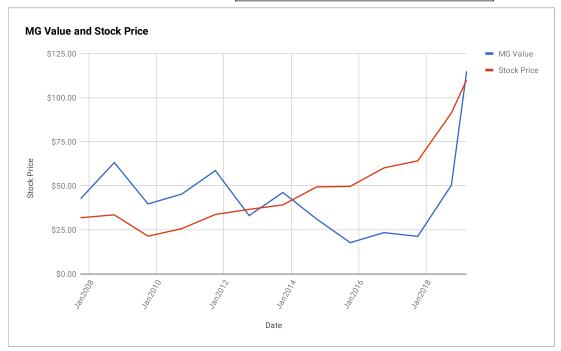
MG Grade

Net Current Asset Value (NCAV)	-\$22.17
Graham Number	\$59.50
PEmg	29.32
Current Ratio	2.34
PB Ratio	3.54
Current Dividend	\$1.89
Dividend Yield	1.72%
Number of Consecutive Years of Dividend	
Growth	15

**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	7	Next Fiscal Year Estimate	\$3.75
Oct2018	\$3.97	Oct2018	\$2.85
Oct2017	\$2.07	Oct2017	\$2.27
Oct2016	\$2.76	Oct2016	\$2.33
Oct2015	\$2.20	Oct2015	\$2.16
Oct2014	\$1.98	Oct2014	\$2.19
Oct2013	\$2.14	Oct2013	\$2.21
Oct2012	\$2.13	Oct2012	\$2.22
Oct2011	\$2.81	Oct2011	\$2.18
Oct2010	\$2.33	Oct2010	\$1.84
Oct2009	\$0.85	Oct2009	\$1.56
Oct2008	\$2.67	Oct2008	\$1.83
Oct2007	\$1.50	Oct2007	\$1.36
Oct2006	\$1.48	Oct2006	\$1.19
Oct2005	\$1.08	Oct2005	\$1.00
Oct2004	\$1.45	Oct2004	\$0.98
Oct2003	\$0.78	Oct2003	\$0.77
Oct2002	\$0.28	Balance Sheet Information	1/1/2019
Oct2001	\$0.93	Total Current Assets	\$1,985,180,000
Oct2000	\$1.59	Total Current Liabilities	\$849,955,000
Oct1999	\$0.55	Long-Term Debt	\$6,234,517,000
		Total Assets	\$21,828,278,000
		Intangible Assets	\$16,885,588,000
		Total Liabilities	\$10,242,841,000
		Shares Outstanding (Diluted Average)	372,506,000





#### 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 Analog Devices Inc Valuation – June 2018 \$ADI
Analog Devices Inc Valuation – February 2017 \$ADI
Analog Devices Inc Valuation – August 2016 \$ADI
Analog Devices Inc Stock Valuation – February 2016 \$ADI
Analog Devices Inc. Analysis – September 2015 Update \$ADI

Other ModernGraham posts about related companies IPG Photonics Corp Valuation – March 2019 #IPGP Micron Technology Inc Valuation – March 2019 #MU Amphenol Corp Valuation – March 2019 #APH

Xilinx Inc Valuation – March 2019 #XLNX

Western Digital Corp Valuation – March 2019 #WDC
Texas Instruments Inc Valuation – March 2019 #TXN
Qualcomm Inc Valuation – March 2019 #QCOM

Ametek Inc Valuation - March 2019 #AME

Advanced Micro Devices Inc Valuation – February 2019 \$AMD

Qorvo Inc Valuation - February 2019 \$QRVO