

# ModernGraham Valuation

Skyworks Solutions  
Inc



## Company Name:

Company Ticker SWKS

Date of Analysis

3/31/2019

## 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	\$14,356,881,784	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	6.18	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	460.20%	Pass
6. Moderate PEmg Ratio	PEmg < 20	15.02	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.63	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	6.18	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.49
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$211.44</b>
MG Value based on 3% Growth	\$79.63
MG Value based on 0% Growth	\$46.68
Market Implied Growth Rate	3.26%

### MG Opinion

Current Price	\$82.48
% of Intrinsic Value	39.01%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$8.49
Graham Number	\$57.35
PEmg	15.02
Current Ratio	6.18
PB Ratio	3.63
Current Dividend	\$1.34
Dividend Yield	1.62%
Number of Consecutive Years of Dividend Growth	5

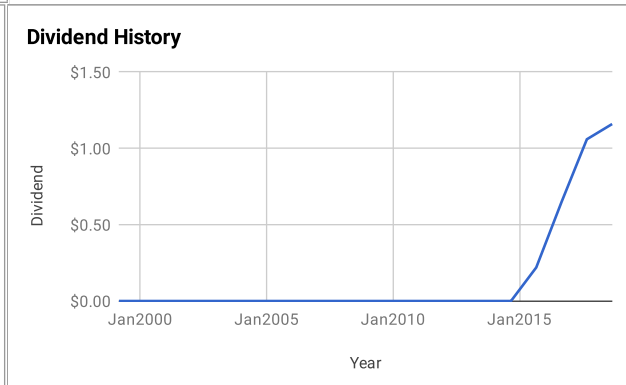
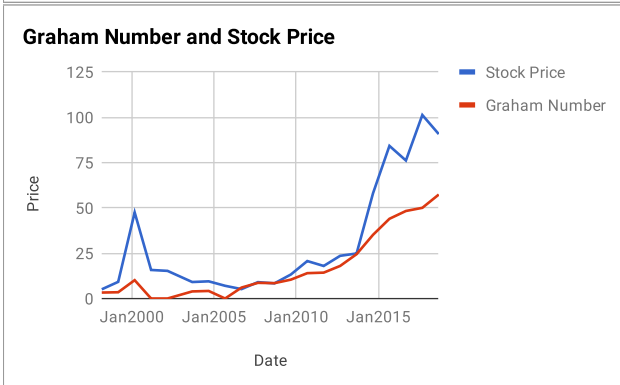
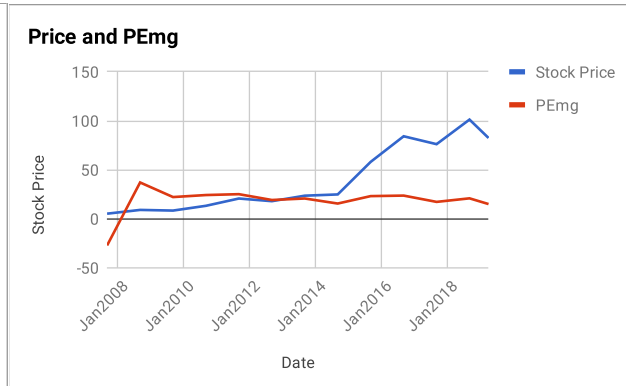
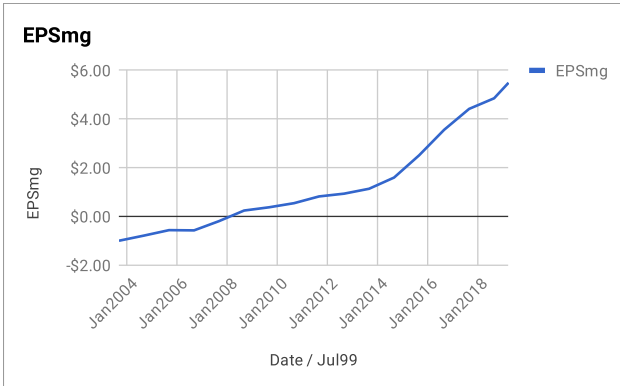
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EPS History			EPSmg History		
Next Fiscal Year Estimate		\$6.33	Next Fiscal Year Estimate		\$5.49
Sep2018		\$5.01	Sep2018		\$4.85
Sep2017		\$5.41	Sep2017		\$4.42
Sep2016		\$5.18	Sep2016		\$3.56
Sep2015		\$4.10	Sep2015		\$2.51
Sep2014		\$2.38	Sep2014		\$1.60
Sep2013		\$1.45	Sep2013		\$1.14
Sep2012		\$1.05	Sep2012		\$0.94
Sep2011		\$1.19	Sep2011		\$0.82
Sep2010		\$0.75	Sep2010		\$0.55
Sep2009		\$0.56	Sep2009		\$0.38
Sep2008		\$0.68	Sep2008		\$0.24
Sep2007		\$0.36	Sep2007		-\$0.19
Sep2006		-\$0.55	Sep2006		-\$0.57
Sep2005		\$0.16	Sep2005		-\$0.56
Sep2004		\$0.15	Sep2004		-\$0.78
Sep2003		-\$3.24	Sep2003		-\$1.00
Mar2002		-\$0.42	<b>Balance Sheet Information 12/1/2018</b>		
Mar2001		\$0.75	Total Current Assets		\$2,208,500,000
Mar2000		\$0.21	Total Current Liabilities		\$357,300,000
Mar1999		\$0.27	Long-Term Debt		\$0
			Total Assets		\$4,738,900,000
			Intangible Assets		\$1,319,900,000
			Total Liabilities		\$700,600,000
			Shares Outstanding (Diluted Average)		177,700,000





**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**
- [Skyworks Solutions Inc Valuation – June 2018 \\$SWKS](#)
  - [Skyworks Solutions Inc Valuation – April 2017 \\$SWKS](#)
  - [21 Best Undervalued Stocks of the Week – 8/27/16](#)
  - [Skyworks Solutions Inc Valuation – August 2016 \\$SWKS](#)
  - [Skyworks Solutions Inc Stock Valuation – February 2016 \\$SWKS](#)

- Other ModernGraham posts about related companies**
- [Garmin Ltd Valuation – March 2019 #GRMN](#)
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