

# ModernGraham Valuation

Maxim Integrated  
Products Inc.



## Company Name:

Company Ticker MXIM

Date of Analysis

4/4/2019

## 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	\$15,564,548,223	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	6.54	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	76.97%	Pass
6. Moderate PEmg Ratio	PEmg < 20	33.00	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	9.08	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	6.54	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.44	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	\$1.73
MG Growth Estimate	7.55%
<b>MG Value</b>	<b>\$40.74</b>
MG Value based on 3% Growth	\$25.03
MG Value based on 0% Growth	\$14.67
Market Implied Growth Rate	12.25%

## MG Opinion

Current Price	\$56.95
% of Intrinsic Value	139.78%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C+</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$1.87
Graham Number	\$18.60
PEmg	33.00
Current Ratio	6.54
PB Ratio	9.08
Current Dividend	\$1.56
Dividend Yield	2.74%
Number of Consecutive Years of Dividend Growth	8

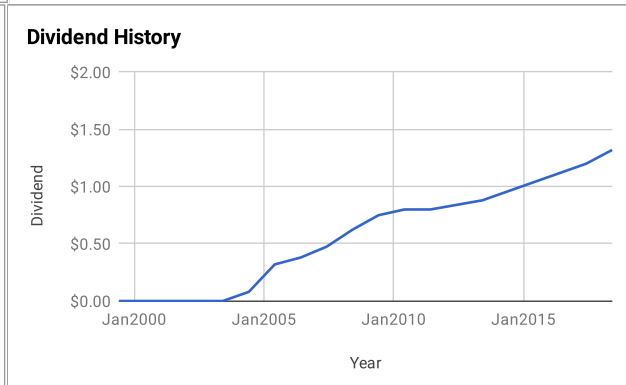
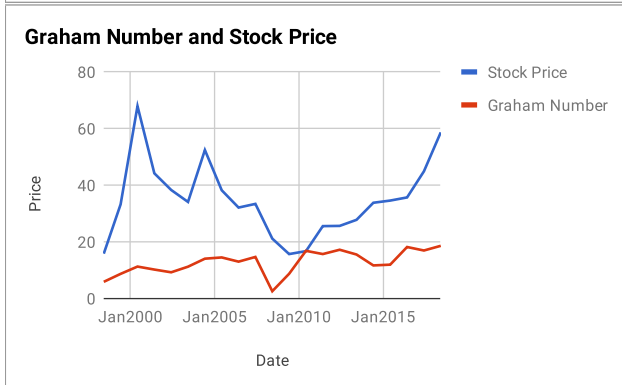
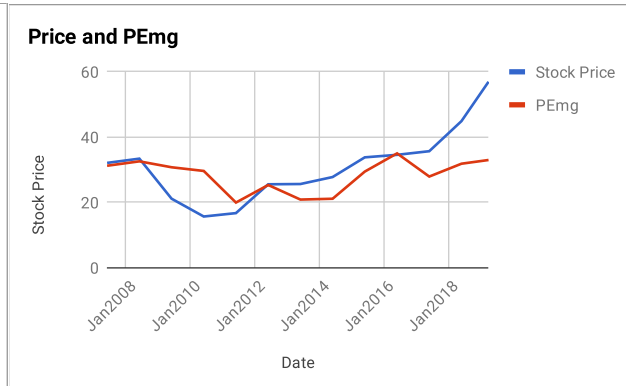
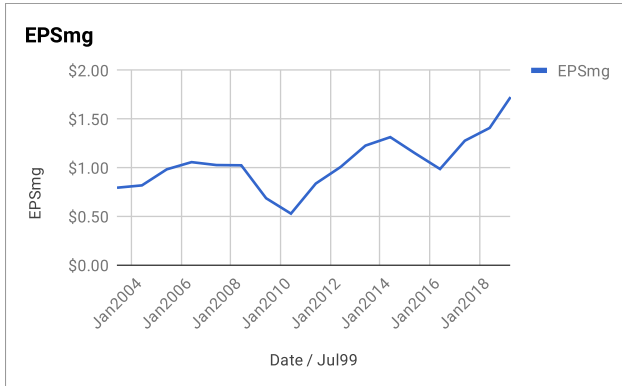
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.22	Next Fiscal Year Estimate	\$1.73
Jun2018	\$1.64	Jun2018	\$1.41
Jun2017	\$1.98	Jun2017	\$1.28
Jun2016	\$0.79	Jun2016	\$0.99
Jun2015	\$0.71	Jun2015	\$1.15
Jun2014	\$1.23	Jun2014	\$1.31
Jun2013	\$1.52	Jun2013	\$1.23
Jun2012	\$1.29	Jun2012	\$1.01
Jun2011	\$1.61	Jun2011	\$0.84
Jun2010	\$0.40	Jun2010	\$0.53
Jun2009	\$0.03	Jun2009	\$0.69
Jun2008	\$0.98	Jun2008	\$1.03
Jun2007	\$0.87	Jun2007	\$1.03
Jun2006	\$1.14	Jun2006	\$1.06
Jun2005	\$1.35	Jun2005	\$0.98
Jun2004	\$0.88	Jun2004	\$0.82
Jun2003	\$0.70	Jun2003	\$0.80
Jun2002	\$0.73	<b>Balance Sheet Information 12/1/2018</b>	
Jun2001	\$0.93	Total Current Assets	\$2,657,918,000
Jun2000	\$1.04	Total Current Liabilities	\$406,480,000
Jun1999	\$0.64	Long-Term Debt	\$991,866,000
		Total Assets	\$3,888,927,000
		Intangible Assets	\$599,412,000
		Total Liabilities	\$2,133,513,000
		Shares Outstanding (Diluted Average)	280,008,000





**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.

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