

[Decision](#) [Forecast](#) [Overrides](#) [DCF Drivers](#) [DCF Review](#) [WACC Review](#)

Power Integrations, Inc. (POWI)

Analyst Notes : Upgraded from Very Unattractive 2/10/20 | Cause: Improved Profitability | New 10-K & Forecast 2/10/20

Overrides are currently inactive. To review overrides click on the [Overrides edit page](#).

● = marks items on this page that can be overridden

● = marks items on this page that have active overrides in effect

[Download CSV](#)

Select Forecast To View: Neutral (Updated 2/20/2020)

Values in Millions except per share amounts	8: 2027	EY 9: 2028	EY 10: 2029	EY 11: 2030	EY 12: 2031	EY 13: 2032	EY 14: 2033	EY 15: 2034	EY 16: 2035
FCF Present Value	\$82.30	\$85.13	\$88.05	\$91.07	\$94.20	\$97.44	\$100.78	\$104.24	\$107.82
FCF Cumulative Present Value	\$586.77	\$671.90	\$759.95	\$851.03	\$945.23	\$1,042.66	\$1,143.45	\$1,247.69	\$1,355.52
Terminal Value	2,040.51	\$2,305.78	\$2,605.53	\$2,944.25	\$3,327.00	\$3,759.51	\$4,248.25	\$4,800.52	\$5,424.59
Present Value of Terminal Value	1,005.60	\$1,040.13	\$1,075.85	\$1,112.79	\$1,151.01	\$1,190.54	\$1,231.42	\$1,273.71	\$1,317.45
Corporate Value	1,592.37	\$1,712.03	\$1,835.80	\$1,963.82	\$2,096.24	\$2,233.20	\$2,374.87	\$2,521.40	\$2,672.97
● Excess Cash	\$390.05	\$390.05	\$390.05	\$390.05	\$390.05	\$390.05	\$390.05	\$390.05	\$390.05
● Net Assets from Discontinued Operations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
● Net Deferred Tax Liability	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
● Net Deferred Compensation Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
● Fair Value of Unconsolidated Subsidiary Assets (non-operating)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
● Fair Value of Total Debt	(\$8.50)	(\$8.50)	(\$8.50)	(\$8.50)	(\$8.50)	(\$8.50)	(\$8.50)	(\$8.50)	(\$8.50)
● Fair Value of Preferred Capital	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
● Fair Value of Minority Interests	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
● Value of Outstanding ESO After-Tax	(\$9.73)	(\$9.73)	(\$9.73)	(\$9.73)	(\$9.73)	(\$9.73)	(\$9.73)	(\$9.73)	(\$9.73)
● Pensions Net Funded Status	(\$6.60)	(\$6.60)	(\$6.60)	(\$6.60)	(\$6.60)	(\$6.60)	(\$6.60)	(\$6.60)	(\$6.60)
Shareholder Value	1,957.60	\$2,077.26	\$2,201.03	\$2,329.05	\$2,461.46	\$2,598.43	\$2,740.10	\$2,886.63	\$3,038.20
● Shares Outstanding	29.5	29.5	29.5	29.5	29.5	29.5	29.5	29.5	29.5
Shareholder Value per Share	\$66.27	\$70.32	\$74.51	\$78.85	\$83.33	\$87.97	\$92.76	\$97.72	\$102.86
GAP (Growth Appreciation Period)	8	9	10	11	12	13	14	15	16
Maximum Loss Exposure from Special Purpose Entities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Decision Page pulls Performance Hurdles values from below for the relevant GAPs									
Total Operating Revenue CAGR	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Average Economic Earnings Margin	17.7%	19.7%	21.9%	24.3%	26.9%	29.8%	32.9%	36.3%	40.1%
Average ROIC	27.0%	29.0%	31.2%	33.6%	36.2%	39.1%	42.2%	45.7%	49.5%
ROIC (Return On Invested Capital)	39.9%	45.1%	50.9%	57.5%	65.0%	73.5%	83.0%	93.8%	106.0%
● WACC (Weighted Average Cost of Capital)	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%
Incremental Return on Invested Capital	-%	-%	-%	-%	-%	-%	-%	-%	-%
Average NOPAT Margin	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%
Average Avg Invested Capital Turns	1.81	1.95	2.09	2.25	2.43	2.62	2.83	3.06	3.31
NOPAT CAGR	18.0%	17.5%	17.0%	16.6%	16.3%	16.1%	15.8%	15.7%	15.5%
Invested Capital CAGR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF CAGR	36.8%	33.9%	31.7%	29.8%	28.3%	27.1%	26.0%	25.1%	24.3%
Economic Earnings CAGR	46.6%	43.0%	40.1%	37.7%	35.7%	34.0%	32.5%	31.2%	30.1%