

[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	2: 2021	EY 3: 2022	EY 4: 2023	EY 5: 2024	EY 6: 2025	EY 7: 2026	EY 8: 2027	EY 9: 2028	EY 10: 2029
FCF Present Value	\$65.07	\$66.35	\$66.50	\$65.74	\$64.99	\$64.25	\$63.51	\$62.79	\$62.07
FCF Cumulative Present Value	130.04	\$196.39	\$262.89	\$328.63	\$393.63	\$457.87	\$521.39	\$584.17	\$646.25
Terminal Value	935.44	\$1,024.30	\$1,106.25	\$1,194.75	\$1,290.33	\$1,393.55	\$1,505.04	\$1,625.44	\$1,714.84
Present Value of Terminal Value	783.76	\$785.57	\$776.59	\$767.72	\$758.95	\$750.28	\$741.70	\$733.23	\$708.07
Corporate Value	913.81	\$981.96	\$1,039.49	\$1,096.36	\$1,152.57	\$1,208.15	\$1,263.09	\$1,317.40	\$1,354.32
● 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	\$279.04	\$1,347.19	\$1,404.72	\$1,461.58	\$1,517.80	\$1,573.38	\$1,628.32	\$1,682.63	\$1,719.55
● Shares Outstanding	29.5	29.5	29.5	29.5	29.5	29.5	29.5	29.5	29.5
Shareholder Value per Share	\$43.30	\$45.61	\$47.56	\$49.48	\$51.38	\$53.27	\$55.13	\$56.96	\$58.21
GAP (Growth Appreciation Period)	2	3	4	5	6	7	8	9	10
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	11.2%	11.3%	10.8%	10.3%	9.9%	9.6%	9.4%	9.3%	9.1%
Average Economic Earnings Margin	8.4%	9.4%	10.4%	11.3%	12.3%	13.3%	14.3%	15.3%	16.5%
Average ROIC	17.7%	18.7%	19.7%	20.6%	21.6%	22.6%	23.6%	24.7%	25.8%
ROIC (Return On Invested Capital)	18.5%	20.7%	22.6%	24.4%	26.4%	28.5%	30.8%	33.2%	35.9%
● 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	1.19	1.25	1.32	1.38	1.45	1.51	1.58	1.65	1.73
NOPAT CAGR	32.3%	24.9%	20.9%	18.2%	16.4%	15.2%	14.3%	13.5%	13.0%
Invested Capital CAGR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF CAGR	38.7%	85.1%	62.4%	49.7%	41.7%	36.3%	32.4%	29.5%	27.1%
Economic Earnings CAGR	54.6%	99.6%	74.8%	60.3%	51.2%	44.9%	40.3%	36.8%	33.9%