

ModernGraham Valuation

Company Name:

Verisk Analytics, Inc.

Company Ticker VRSK

Date of Analysis

3/5/2017



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	\$14,011,080,882	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.81	Fail
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	243.11%	Pass
6. Moderate PEmg Ratio	PEmg < 20	27.47	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	10.78	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	0.81	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-18.89	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.06
MG Growth Estimate	11.48%
MG Value	\$96.12
MG Value based on 3% Growth	\$44.31
MG Value based on 0% Growth	\$25.98
Market Implied Growth Rate	9.49%

MG Opinion

Current Price	\$83.95
% of Intrinsic Value	87.34%
Opinion	Fairly Valued
MG Grade	D+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$16.35
Graham Number	\$24.12
PEmg	27.47
Current Ratio	0.81
PB Ratio	10.78
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$3.25	Next Fiscal Year Estimate	\$3.06
Dec2016	\$3.45	Dec2016	\$2.82
Dec2015	\$3.01	Dec2015	\$2.40
Dec2014	\$2.37	Dec2014	\$2.02
Dec2013	\$2.02	Dec2013	\$1.73
Dec2012	\$1.92	Dec2012	\$1.48
Dec2011	\$1.63	Dec2011	\$1.14
Dec2010	\$1.30	Dec2010	\$0.79
Dec2009	\$0.70	Dec2009	\$0.45
Dec2008	\$0.83	Dec2008	\$0.28
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Balance Sheet Information	12/1/2016
Dec1999	\$0.00	Total Current Assets	\$500,900,000
Dec1998	\$0.00	Total Current Liabilities	\$621,600,000
Dec1997	\$0.00	Long-Term Debt	\$2,280,200,000
		Total Assets	\$4,631,200,000
		Intangible Assets	\$3,588,900,000
		Total Liabilities	\$3,298,800,000
		Shares Outstanding (Diluted Average)	171,172,000





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:

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ModernGraham
posts about the
company

#N/A

Other
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posts about related
companies

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[CSG Systems International Inc Valuation – Initial Coverage \\$CSGS](#)
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[Qualcomm Inc Valuation – February 2017 \\$QCOM](#)
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