

ModernGraham Valuation

Company Name:

Company Ticker AKAM

Date of Analysis

8/31/2015

Akamai Technologies,
Inc.



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	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	
5. Earnings Growth		Pass
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	Pass
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

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.60
MG Growth Estimate	11.75%
MG Value	\$51.09
MG Value based on 3% Growth	\$23.15
MG Value based on 0% Growth	\$13.57
Market Implied Growth Rate	18.07%

MG Opinion

Current Price	\$71.28
% of Intrinsic Value	139.51%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$0.36
Graham Number	\$25.31
PEmg	44.64
Current Ratio	3.31
PB Ratio	4.23
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	\$1.69	Next Fiscal Year Estimate	\$1.60
Dec14	\$1.84	Dec14	\$1.47
Dec13	\$1.61	Dec13	\$1.22
Dec12	\$1.12	Dec12	\$1.00
Dec11	\$1.07	Dec11	\$0.90
Dec10	\$0.90	Dec10	\$0.76
Dec09	\$0.78	Dec09	\$0.77
Dec08	\$0.79	Dec08	\$0.78
Dec07	\$0.56	Dec07	\$0.72
Dec06	\$0.34	Dec06	\$0.57
Dec05	\$2.11	Dec05	-\$1.09
Dec04	\$0.25	Dec04	-\$4.16
Dec03	-\$0.25	Dec03	-\$6.76
Dec02	-\$1.81	Dec02	-\$9.18
Dec01	-\$23.59	Dec01	-\$10.95
Dec00	-\$10.07	Dec00	-\$3.89
Dec99	-\$1.98	Dec99	-\$0.67
Dec98	-\$0.05	Balance Sheet Information Jun15	
Dec97	\$0.00	Total Current Assets	\$1,151,476,000
Dec96	\$0.00	Total Current Liabilities	\$348,242,000
Dec95	\$0.00	Long-Term Debt	\$614,484,000
		Total Assets	\$4,131,105,000
		Intangible Assets	\$1,301,677,000
		Total Liabilities	\$1,085,793,000
		Shares Outstanding (Diluted Average)	180,738,000



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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