ModernGraham Valuation

Company Name:

Akamai Technologies, Inc.



Company Ticker Date of Analysis

1/27/2016

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.

5. Earnings Growth

AKAM

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$8,220,779,005 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.65 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	

Increase of 33% in EPS in past 10
years using 3 year averages at
beginning and end 214.79% Pass
PEmg < 20 26.77 Fail

6. Moderate PEmg Ratio PEmg < 20 26.77 Fail
7. Moderate Price to Assets PB Ratio < 2.5 OR PB*PEmg < 50 2.59 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	3.65 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.70 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	\$1.66
MG Growth Estimate	12.76%
MG Value	\$56.34
MG Value based on 3% Growth	\$24.02
MG Value based on 0% Growth	\$14.08
Market Implied Growth Rate	9.14%

MG Opinion

Useful Links:

Current Price\$44.35% of Intrinsic Value78.71%

Opinion Fairly Valued

Stage 3: Information for Further Research

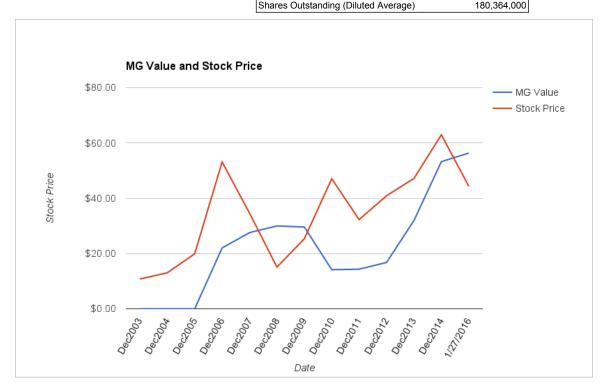
Net Current Asset Value (NCAV)	\$0.62
Graham Number	\$26.99
PEmg	26.77
Current Ratio	3.65
PB Ratio	2.59
Dividend Yield	0.00%
Number of Consecutive Years of Dividend	

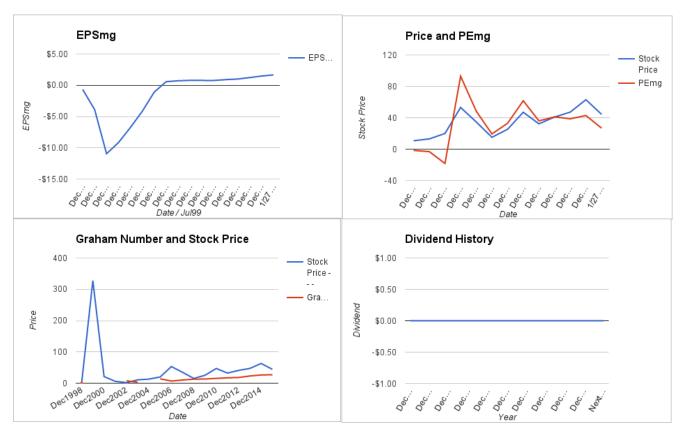
Growth

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EPS History		EPSmg History	
Next Fiscal Year		EFSING HISTORY	
Estimate	\$1.87	Next Fiscal Year Estimate	\$1.66
Dec2014	\$1.84	Dec2014	\$1.47
Dec2013	\$1.61	Dec2013	\$1.22
Dec2012	\$1.12	Dec2012	\$1.00
Dec2011	\$1.07	Dec2011	\$0.90
Dec2010	\$0.90	Dec2010	\$0.76
Dec2009	\$0.78	Dec2009	\$0.77
Dec2008	\$0.79	Dec2008	\$0.78
Dec2007	\$0.56	Dec2007	\$0.72
Dec2006	\$0.34	Dec2006	\$0.57
Dec2005	\$2.11	Dec2005	-\$1.09
Dec2004	\$0.25	Dec2004	-\$4.16
Dec2003	-\$0.25	Dec2003	-\$6.76
Dec2002	-\$1.81	Dec2002	-\$9.18
Dec2001	-\$23.59	Dec2001	-\$10.95
Dec2000	-\$10.07	Dec2000	-\$3.89
Dec1999	-\$1.98	Dec1999	-\$0.67
Dec1998	-\$0.05	Balance Sheet Information	Sep2015
Dec1997	\$0.00	Total Current Assets	\$1,210,985,000
Dec1996	\$0.00	Total Current Liabilities	\$332,006,000
Dec1995	\$0.00	Long-Term Debt	\$619,365,000
		Total Assets	\$4,184,809,000
		Intangible Assets	\$1,294,478,000
		Total Liabilities	\$1,099,146,000
		Shares Outstanding (Diluted Average)	180.364.000





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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