

ModernGraham Valuation

Company Name:

Yahoo! Inc.

Company Ticker YHOO

Date of Analysis

6/21/2016



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.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$35,863,584,368	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	6.24	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	170.34%	Pass
5. Earnings Growth	PEmg < 20	48.83	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.24	Pass
7. Moderate Price to Assets			

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	6.24	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.21	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.77
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$11.11
MG Value based on 0% Growth	\$6.51
Market Implied Growth Rate	20.16%

MG Opinion

Current Price	\$37.40
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$8.94
Graham Number	\$16.02
PEmg	48.83
Current Ratio	6.24
PB Ratio	1.24
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

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.38	Next Fiscal Year Estimate	\$0.77
Dec2015	-\$4.64	Dec2015	\$1.18
Dec2014	\$7.45	Dec2014	\$3.64
Dec2013	\$1.26	Dec2013	\$1.61
Dec2012	\$3.28	Dec2012	\$1.57
Dec2011	\$0.82	Dec2011	\$0.67
Dec2010	\$0.90	Dec2010	\$0.57
Dec2009	\$0.42	Dec2009	\$0.47
Dec2008	\$0.29	Dec2008	\$0.54
Dec2007	\$0.47	Dec2007	\$0.64
Dec2006	\$0.52	Dec2006	\$0.66
Dec2005	\$1.28	Dec2005	\$0.62
Dec2004	\$0.58	Dec2004	\$0.24
Dec2003	\$0.19	Dec2003	\$0.07
Dec2002	\$0.04	Dec2002	\$0.01
Dec2001	-\$0.08	Dec2001	\$0.00
Dec2000	\$0.06	Dec2000	\$0.03
Dec1999	\$0.05	Balance Sheet Information 3/1/2016	
Dec1998	\$0.03	Total Current Assets	\$7,224,224,000
Dec1997	-\$0.03	Total Current Liabilities	\$1,158,010,000
Dec1996	\$0.00	Long-Term Debt	\$1,249,775,000
		Total Assets	\$44,158,229,000
		Intangible Assets	\$1,132,230,000
		Total Liabilities	\$15,679,882,000
		Shares Outstanding (Diluted Average)	945,719,000





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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- [10 Most Undervalued Companies for the Defensive Investor – February 2016](#)
- [10 Low PE Stocks for the Defensive Investor – February 2016](#)
- [10 Low PE Stocks for the Defensive Investor – January 2016](#)
- [11 Best Stocks For Value Investors This Week – 11/21/15](#)

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- [Symantec Corp Valuation – February 2016 \\$SYMC](#)
- [Microsoft Corp Valuation – February 2016 \\$MSFT](#)
- [Cisco Systems Inc Valuation – February 2016 \\$CSCO](#)
- [CA Inc Valuation – January 2016 Update \\$CA](#)
- [Intuit Inc Valuation – January 2016 Update \\$INTU](#)
- [Microsoft Corp Valuation – February 2016 \\$MSFT](#)
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