

ModernGraham Valuation

Company Name:

Facebook Inc

Company Ticker FB

Date of Analysis

7/6/2016



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	\$333,242,211,820	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	13.16	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	16500.00%	Pass
5. Earnings Growth	PEmg < 20	77.39	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	7.15	Fail
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	13.16	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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	\$1.51
MG Growth Estimate	15.00%
MG Value	\$58.06
MG Value based on 3% Growth	\$21.87
MG Value based on 0% Growth	\$12.82
Market Implied Growth Rate	34.44%

MG Opinion

Current Price	\$116.70
% of Intrinsic Value	201.01%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

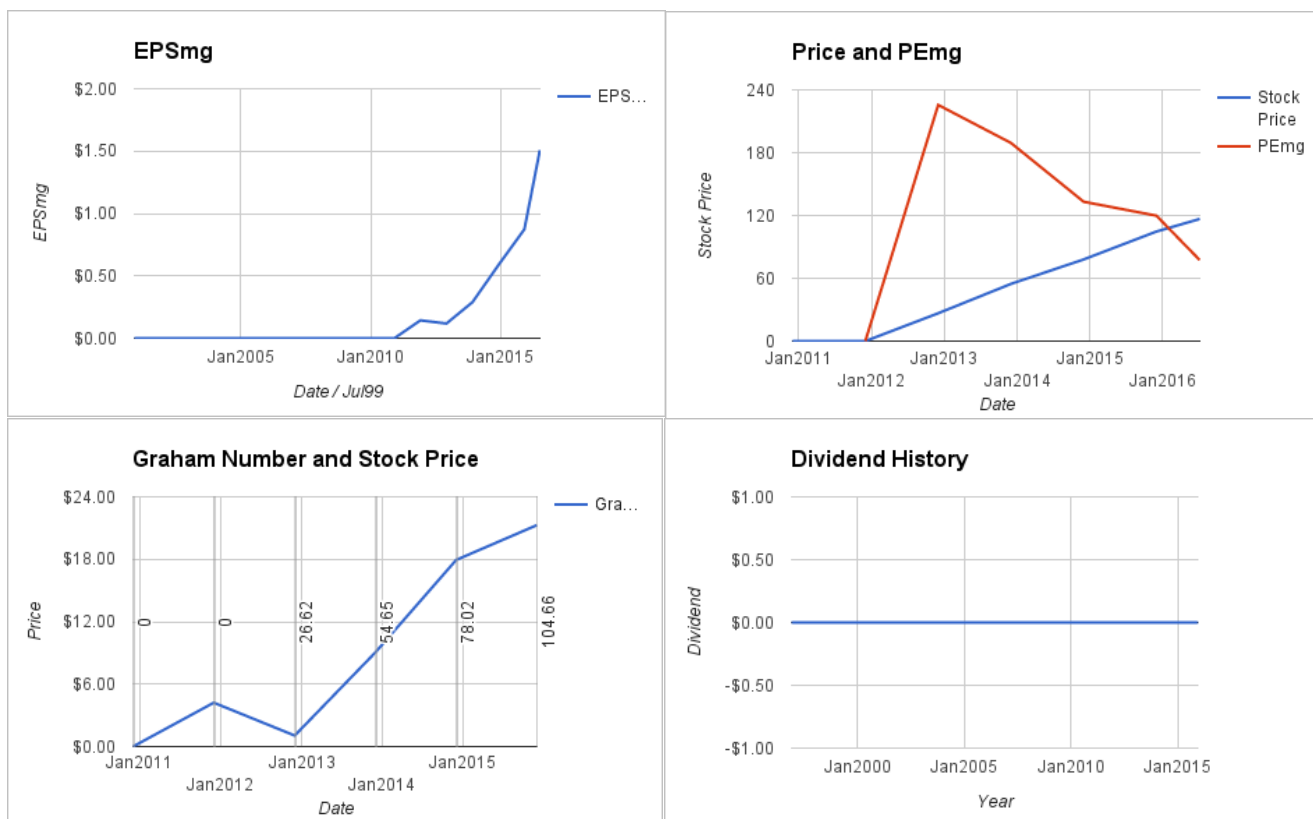
Net Current Asset Value (NCAV)	\$6.54
Graham Number	\$31.05
PEmg	77.39
Current Ratio	13.16
PB Ratio	7.15
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.59	Next Fiscal Year Estimate	\$1.51
Dec2015	\$1.29	Dec2015	\$0.87
Dec2014	\$1.10	Dec2014	\$0.59
Dec2013	\$0.60	Dec2013	\$0.29
Dec2012	\$0.01	Dec2012	\$0.12
Dec2011	\$0.43	Dec2011	\$0.14
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
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	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information 3/1/2016	
Dec1998	\$0.00	Total Current Assets	\$23,812,000,000
Dec1997	\$0.00	Total Current Liabilities	\$1,809,000,000
Dec1996	\$0.00	Long-Term Debt	\$0
		Total Assets	\$52,075,000,000
		Intangible Assets	\$21,096,000,000
		Total Liabilities	\$4,925,000,000
		Shares Outstanding (Diluted Average)	2,888,000,000





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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[Facebook Stock Analysis – Quarterly Update May 2015 \\$FB](#)
[28 Companies in the Spotlight This Week – 2/28/15](#)

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[Facebook Inc. Analysis – August 2015 Update \\$FB](#)
[Ebay Inc. Analysis – August 2015 Update \\$EBAY](#)
[Facebook Stock Analysis – Quarterly Update May 2015 \\$FB](#)
[eBay Inc. Quarterly Valuation – May 2015 \\$EBAY](#)
[Facebook Inc. Quarterly Valuation – February 2015 \\$FB](#)