

ModernGraham Valuation

Company Name:

Equinix Inc

Company Ticker EQIX

Date of Analysis

8/25/2016



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	\$25,925,869,962	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.34	Fail
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	31.51%	Fail
5. Earnings Growth	PEmg < 20	129.62	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.44	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	1.34	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	9.12	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.81
MG Growth Estimate	6.16%
MG Value	\$58.46
MG Value based on 3% Growth	\$40.72
MG Value based on 0% Growth	\$23.87
Market Implied Growth Rate	60.56%

MG Opinion

Current Price	\$363.98
% of Intrinsic Value	622.66%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$91.92
Graham Number	\$105.77
PEmg	129.62
Current Ratio	1.34
PB Ratio	5.44
Current Dividend	\$6.88
Dividend Yield	1.89%
Number of Consecutive Years of Dividend Growth	2

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.51	Next Fiscal Year Estimate	\$2.81
Dec2015	\$3.21	Dec2015	\$0.62
Dec2014	-\$4.96	Dec2014	-\$0.30
Dec2013	\$1.89	Dec2013	\$1.96
Dec2012	\$2.83	Dec2012	\$1.99
Dec2011	\$1.74	Dec2011	\$1.51
Dec2010	\$0.82	Dec2010	\$1.26
Dec2009	\$1.75	Dec2009	\$1.15
Dec2008	\$2.79	Dec2008	\$0.35
Dec2007	-\$0.16	Dec2007	-\$1.57
Dec2006	-\$0.22	Dec2006	-\$2.97
Dec2005	-\$1.78	Dec2005	-\$9.45
Dec2004	-\$3.87	Dec2004	-\$22.69
Dec2003	-\$8.76	Dec2003	-\$45.59
Dec2002	-\$7.23	Dec2002	-\$66.27
Dec2001	-\$76.62	Dec2001	-\$86.98
Dec2000	-\$111.06	Dec2000	-\$79.45
Dec1999	-\$159.11	Balance Sheet Information 6/1/2016	
Dec1998	\$0.00	Total Current Assets	\$2,095,429,000
Dec1997	\$0.00	Total Current Liabilities	\$1,559,779,000
Dec1996	\$0.00	Long-Term Debt	\$4,882,479,000
		Total Assets	\$13,269,045,000
		Intangible Assets	\$3,979,152,000
		Total Liabilities	\$8,563,580,000
		Shares Outstanding (Diluted Average)	70,364,000





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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