

# ModernGraham Valuation

Company Name:

Verisign, Inc.

Company Ticker VRSN

Date of Analysis

8/17/2016



## 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	\$7,457,687,548	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.32	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	-814.75%	Fail
5. Earnings Growth	PEmg < 20	25.26	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	-8.71	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	1.32	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.64	Fail
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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.98
MG Growth Estimate	9.10%
<b>MG Value</b>	<b>\$79.53</b>
MG Value based on 3% Growth	\$43.18
MG Value based on 0% Growth	\$25.31
Market Implied Growth Rate	8.38%

### MG Opinion

Current Price	\$75.22
% of Intrinsic Value	94.58%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$11.46
Graham Number	\$0.00
PEmg	25.26
Current Ratio	1.32
PB Ratio	-8.71
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.38	Next Fiscal Year Estimate	\$2.98
Dec2015	\$2.82	Dec2015	\$2.63
Dec2014	\$2.52	Dec2014	\$2.58
Dec2013	\$3.49	Dec2013	\$2.56
Dec2012	\$1.95	Dec2012	\$1.85
Dec2011	\$0.86	Dec2011	\$1.49
Dec2010	\$4.64	Dec2010	\$1.53
Dec2009	\$1.28	Dec2009	\$0.11
Dec2008	-\$1.87	Dec2008	-\$0.23
Dec2007	-\$0.63	Dec2007	\$0.52
Dec2006	\$1.53	Dec2006	-\$0.49
Dec2005	\$1.63	Dec2005	-\$6.71
Dec2004	\$0.60	Dec2004	-\$14.37
Dec2003	-\$1.20	Dec2003	-\$21.73
Dec2002	-\$20.97	Dec2002	-\$28.42
Dec2001	-\$65.64	Dec2001	-\$27.17
Dec2000	-\$19.57	Dec2000	-\$6.65
Dec1999	\$0.03	<b>Balance Sheet Information 6/1/2016</b>	
Dec1998	-\$0.24	Total Current Assets	\$1,944,655,000
Dec1997	-\$0.66	Total Current Liabilities	\$1,476,125,000
Dec1996	\$0.00	Long-Term Debt	\$1,236,272,000
		Total Assets	\$2,314,173,000
		Intangible Assets	\$52,527,000
		Total Liabilities	\$3,441,503,000
		Shares Outstanding (Diluted Average)	130,588,000





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.

## Recommended Reading:

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[Verisign Inc. Annual Valuation – 2014 \\$VRSN](#)

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