

ModernGraham Valuation

Company Name:

Stamps.com Inc.

Company Ticker STMP

Date of Analysis

2/27/2017



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	\$2,132,100,896	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.86	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	317.02%	Pass
6. Moderate PEmg Ratio	PEmg < 20	57.97	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.63	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	1.86	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.01	Fail
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		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.19
MG Growth Estimate	8.65%
MG Value	\$56.57
MG Value based on 3% Growth	\$31.78
MG Value based on 0% Growth	\$18.63
Market Implied Growth Rate	24.73%

MG Opinion

Current Price	\$127.07
% of Intrinsic Value	224.61%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$3.96
Graham Number	\$42.13
PEmg	57.97
Current Ratio	1.86
PB Ratio	6.63
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
GuruFocus	SEC Filings

EPS History			EPSmg History		
Next Fiscal Year Estimate		\$3.89	Next Fiscal Year Estimate		\$2.19
Dec2015		-\$0.26	Dec2015		\$1.48
Dec2014		\$2.25	Dec2014		\$2.19
Dec2013		\$2.71	Dec2013		\$1.94
Dec2012		\$2.30	Dec2012		\$1.39
Dec2011		\$1.73	Dec2011		\$0.86
Dec2010		\$0.38	Dec2010		\$0.45
Dec2009		\$0.38	Dec2009		\$0.49
Dec2008		\$0.53	Dec2008		\$0.49
Dec2007		\$0.50	Dec2007		\$0.38
Dec2006		\$0.69	Dec2006		\$0.23
Dec2005		\$0.44	Dec2005		-\$0.58
Dec2004		-\$0.21	Dec2004		-\$1.95
Dec2003		-\$0.42	Dec2003		-\$3.43
Dec2002		-\$0.28	Dec2002		-\$4.92
Dec2001		-\$8.28	Dec2001		-\$6.44
Dec2000		-\$9.08	Dec2000		-\$4.75
Dec1999		-\$5.18	Balance Sheet Information 9/1/2016		
Dec1998		-\$1.70	Total Current Assets		\$153,857,000
Dec1997		\$0.00	Total Current Liabilities		\$82,699,000
Dec1996		\$0.00	Long-Term Debt		\$142,993,000
			Total Assets		\$573,137,000
			Intangible Assets		\$340,578,000
			Total Liabilities		\$225,692,000
			Shares Outstanding (Diluted Average)		18,120,000





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:

Other
ModernGraham
posts about the
company

#N/A

Other
ModernGraham
posts about related
companies

- [Kirkland's Inc Valuation – Initial Coverage \\$KIRK](#)
- [Dollar Tree Inc Valuation – February 2017 \\$DLTR](#)
- [Staples Inc Valuation – February 2017 \\$SPLS](#)
- [Stein Mart Inc Valuation – Initial Coverage \\$SMRT](#)
- [J C Penney Company Inc Valuation – Initial Coverage \\$JCP](#)
- [TJX Companies Inc Valuation – December 2016 \\$TJX](#)
- [Shoe Carnival Inc Valuation – Initial Coverage \\$SCVL](#)
- [Aaron's Inc Valuation – November 2016 \\$AAN](#)
- [Tractor Supply Company Valuation – August 2016 \\$TSCO](#)
- [Fossil Group Inc Valuation – August 2016 \\$FOSL](#)