

# ModernGraham Valuation

Company Name:

Verisign, Inc.

Company Ticker VRSN

Date of Analysis

2/7/2017



## 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	\$8,601,256,488	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.21	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	-818.03%	Fail
6. Moderate PEmg Ratio	PEmg < 20	27.47	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-8.98	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	1.21	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.96	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
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.99
MG Growth Estimate	9.21%
<b>MG Value</b>	<b>\$80.53</b>
MG Value based on 3% Growth	\$43.37
MG Value based on 0% Growth	\$25.43
Market Implied Growth Rate	9.49%

### MG Opinion

Current Price	\$82.18
% of Intrinsic Value	102.05%
<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)	-\$13.09
Graham Number	\$0.00
PEmg	27.47
Current Ratio	1.21
PB Ratio	-8.98
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.42	Next Fiscal Year Estimate	\$2.99
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 9/1/2016</b>	
Dec1998	-\$0.24	Total Current Assets	\$1,794,968,000
Dec1997	-\$0.66	Total Current Liabilities	\$1,482,426,000
Dec1996	\$0.00	Long-Term Debt	\$1,236,731,000
		Total Assets	\$2,297,979,000
		Intangible Assets	\$52,527,000
		Total Liabilities	\$3,467,217,000
		Shares Outstanding (Diluted Average)	127,750,000





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

- [Verisign Inc. Analysis – 2015 Update \\$VRSN](#)
- [20 Companies in the Research Spotlight This Week – June 7, 2014](#)
- [Verisign Inc. Annual Valuation – 2014 \\$VRSN](#)

Other ModernGraham posts about related companies

- [Jack Henry & Associates Inc Valuation – Initial Coverage \\$JKHY](#)
- [Super Micro Computer Inc Valuation – Initial Coverage \\$SMCI](#)
- [Teradata Corp Valuation – January 2017 \\$TDC](#)
- [Akamai Technologies Inc Valuation – January 2017 \\$AKAM](#)
- [Motorola Solutions Inc Valuation – December 2016 \\$MSI](#)
- [Science Applications International Corp Valuation – Initial Coverage \\$SAIC](#)
- [Acxiom Corporation Valuation – November 2016 \\$ACXM](#)
- [ACI Worldwide Inc Valuation – November 2016 \\$ACIW](#)
- [Equinix Inc Valuation – August 2016 \\$EQIX](#)
- [Qualcomm Inc Valuation – August 2016 \\$QCOM](#)