

# ModernGraham Valuation

Company Name:

Juniper Networks, Inc.

Company Ticker JNPR

Date of Analysis

3/14/2018



## 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	\$9,823,121,353	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.41	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	77.78%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	22.09	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.11	Pass

*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	2.41	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.87	Pass
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
	Score		

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.19
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$45.66</b>
MG Value based on 3% Growth	\$17.20
MG Value based on 0% Growth	\$10.08
Market Implied Growth Rate	6.80%

### MG Opinion

Current Price	\$26.20
% of Intrinsic Value	57.38%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.57
Graham Number	\$20.86
PEmg	22.09
Current Ratio	2.41
PB Ratio	2.11
Current Dividend	\$0.40
Dividend Yield	1.53%
Number of Consecutive Years of Dividend Growth	0

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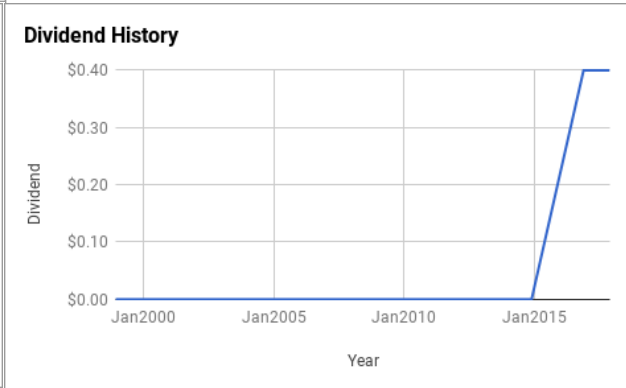
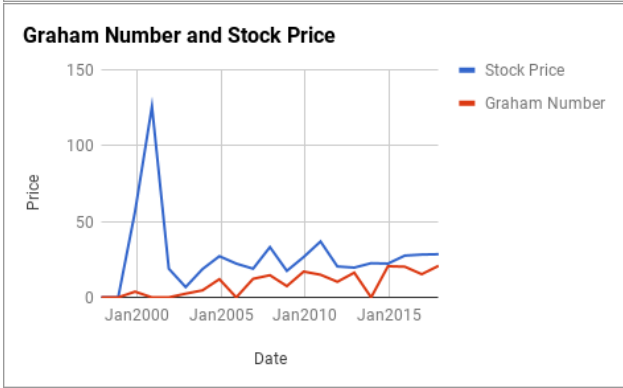
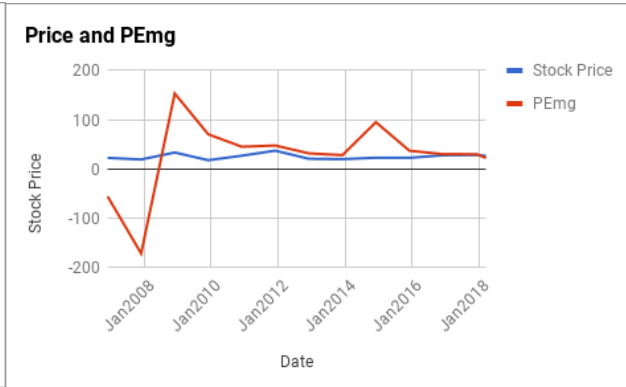
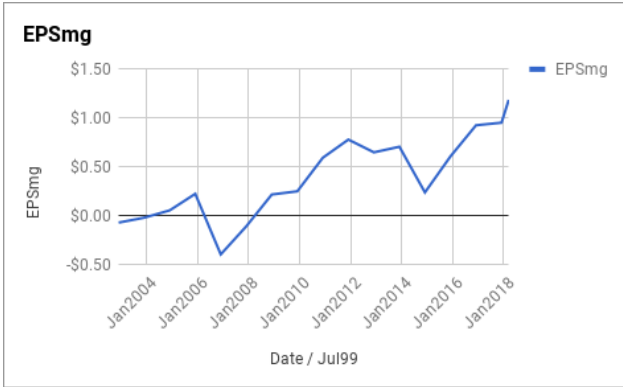
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.51	Next Fiscal Year Estimate	\$1.19
Dec2017	\$0.80	Dec2017	\$0.95
Dec2016	\$1.53	Dec2016	\$0.93
Dec2015	\$1.59	Dec2015	\$0.61
Dec2014	-\$0.73	Dec2014	\$0.24
Dec2013	\$0.86	Dec2013	\$0.71
Dec2012	\$0.35	Dec2012	\$0.65
Dec2011	\$0.79	Dec2011	\$0.78
Dec2010	\$1.15	Dec2010	\$0.59
Dec2009	\$0.22	Dec2009	\$0.25
Dec2008	\$0.93	Dec2008	\$0.22
Dec2007	\$0.62	Dec2007	-\$0.11
Dec2006	-\$1.76	Dec2006	-\$0.40
Dec2005	\$0.58	Dec2005	\$0.22
Dec2004	\$0.24	Dec2004	\$0.05
Dec2003	\$0.07	Dec2003	-\$0.02
Dec2002	-\$0.34	Dec2002	-\$0.07
Dec2001	-\$0.04	<b>Balance Sheet Information 12/1/2017</b>	
Dec2000	\$0.43	Total Current Assets	\$4,184,500,000
Dec1999	-\$0.05	Total Current Liabilities	\$1,738,200,000
Dec1998	-\$0.40	Long-Term Debt	\$2,136,300,000
		Total Assets	\$9,833,800,000
		Intangible Assets	\$3,224,300,000
		Total Liabilities	\$5,152,900,000
		Shares Outstanding (Diluted Average)	377,300,000





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**

- [18 Companies in the Spotlight This Week – 10/25/14](#)
- [34 Companies in the Spotlight This Week – 2/7/15](#)
- [Juniper Networks Inc. Annual Valuation – 2015 \\$JNPR](#)
- [Juniper Networks Quarterly Stock Valuation – October 2014 \\$JNPR](#)
- [10 Companies in the Spotlight This Week – 7/12/14](#)

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- [Seagate Technology PLC Valuation – March 2018 \\$STX](#)
- [HP Inc Valuation – February 2018 \\$HPQ](#)
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- [Apple Inc Valuation – February 2018 \\$AAPL](#)
- [Lam Research Corp Valuation – September 2017 \\$LRCX](#)
- [Vicor Corp Valuation – Initial Coverage \\$VICR](#)
- [Emerson Electric Co Valuation – August 2017 \\$EMR](#)
- [General Cable Corporation Valuation – Initial Coverage \\$BGC](#)
- [3D Systems Corp Valuation – Initial Coverage \\$DDD](#)