ModernGraham Valuation



Date of Analysis

Akamai Technologies, Inc.



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

5/4/2018

Defensive Investor; m	nust pass 6 out of the following 7 tests.		
	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$12,278,244,575 Pass
	2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.29 Fail
	3. Earnings Stability	Positive EPS for 10 years prior	Pass
	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	127.27% Pass
	6. Moderate PEmg Ratio	PEmg < 20	33.96 Fail
	7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.66 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	1.29 Fail
	2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00 Pass
	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			
••••••	Defensive	No	
	Enterprising	No	
Stage 2: Deter	rmination of Intrinsic Value		
	EPSmg	\$2.12	
	MG Growth Estimate	6.65%	
	MG Value	\$46.23	
	MG Value based on 3% Growth	\$30.75	
	MG Value based on 0% Growth	\$18.03	
	Market Implied Growth Rate	12.73%	
MG Opinion			
	Current Price	\$72.01	
	% of Intrinsic Value	155.77%	
	Opinion	Overvalued	
	MG Grade	D	
Stage 3: Infor	mation for Further Research		
•	Net Current Asset Value (NCAV)	\$0.92	
	Graham Number	\$37.45	
	PEmg	33.96	
	Current Ratio	1.29	
	PB Ratio	3.66	
	Current Dividend	\$0.00	
	Dividend Yield	0.00%	
	Number of Consecutive Years of Dividend	0	

0

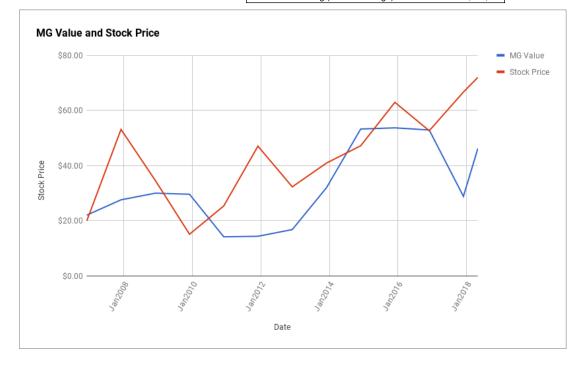
Useful Links:

ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus

Growth

Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$3.20	Next Fiscal Year Estimate	\$2.12
Dec2017	\$1.26	Dec2017	\$1.61
Dec2016	\$1.79	Dec2016	\$1.73
Dec2015	\$1.78	Dec2015	\$1.63
Dec2014	\$1.84	Dec2014	\$1.47
Dec2013	\$1.61	Dec2013	\$1.22
Dec2012	\$1.12	Dec2012	\$1.00
Dec2011	\$1.07	Dec2011	\$0.90
Dec2010	\$0.90	Dec2010	\$0.76
Dec2009	\$0.78	Dec2009	\$0.77
Dec2008	\$0.79	Dec2008	\$0.78
Dec2007	\$0.56	Dec2007	\$0.72
Dec2006	\$0.34	Dec2006	\$0.57
Dec2005	\$2.11	Dec2005	-\$1.09
Dec2004	\$0.25	Dec2004	-\$4.16
Dec2003	-\$0.25	Dec2003	-\$6.76
Dec2002	-\$1.81	Dec2002	-\$9.18
Dec2001	-\$23.59	Balance Sheet Information	3/1/2018
Dec2000	-\$10.07	Total Current Assets	\$1,459,726,000
Dec1999	-\$1.98	Total Current Liabilities	\$1,130,595,000
Dec1998	-\$0.05	Long-Term Debt	\$0
		Total Assets	\$4,686,904,000
		Intangible Assets	\$1,692,134,000
		Total Liabilities	\$1,300,647,000
		Shares Outstanding (Diluted Average)	172,004,000





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	Akamai Technologies Inc Valuation – January 2017 \$AKAM	
ModernGraham posts about the	15 Best Undervalued Stocks of the Week - 8/20/16	
company	Akamai Technologies Inc Valuation – August 2016 \$AKAM	
	<u>18 Best Stocks For Value Investors This Week – 1/30/16</u>	
	Akamai Technologies Inc Valuation – January 2016 \$AKAM	

 Other ModernGraham posts about related companies
 Symantec Corp Valuation – April 2018 \$SYMC Intuit Inc Valuation – April 2018 \$INTU CommVault Systems Inc Valuation – April 2018 \$CVLT

 Constellation Software Inc Valuation – April 2018 \$TSE-CSU Adobe Systems Inc Valuation – April 2018 \$ADBE Synopsys Inc Valuation – April 2018 \$ADBE Synopsys Inc Valuation – April 2018 \$ADBK F5 Networks Inc Valuation – April 2018 \$FFIV Cadence Design Systems Inc Valuation – Initial Coverage \$CDNS Oracle Corporation Valuation – March 2018 \$ORCL