

# ModernGraham Valuation

Company Name:

Stamps.com Inc.

Company Ticker STMP

Date of Analysis

6/8/2018



## 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	\$4,784,459,366	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.80	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	789.96%	Pass
5. Earnings Growth	PEmg < 20	41.78	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	9.06	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	2.80	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.28	Pass
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	\$6.41
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$246.66</b>
MG Value based on 3% Growth	\$92.90
MG Value based on 0% Growth	\$54.46
Market Implied Growth Rate	16.64%

### MG Opinion

Current Price	\$267.70
% of Intrinsic Value	108.53%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>D</b>

## Stage 3: Information for Further Research

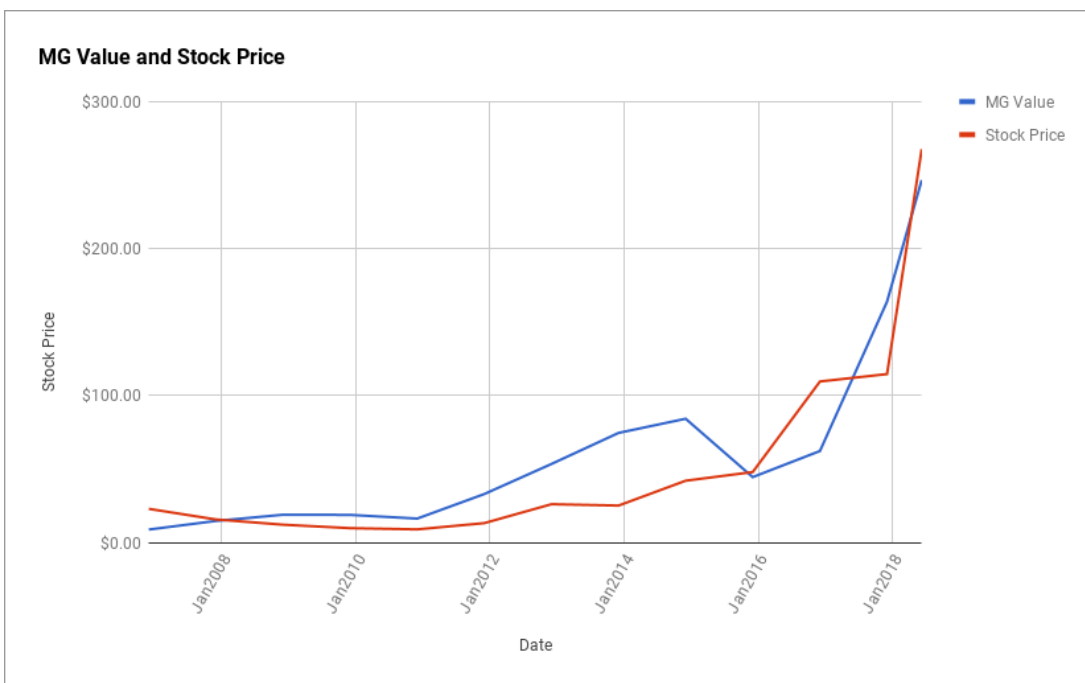
Net Current Asset Value (NCAV)	\$7.83
Graham Number	\$79.24
PEmg	41.78
Current Ratio	2.80
PB Ratio	9.06
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

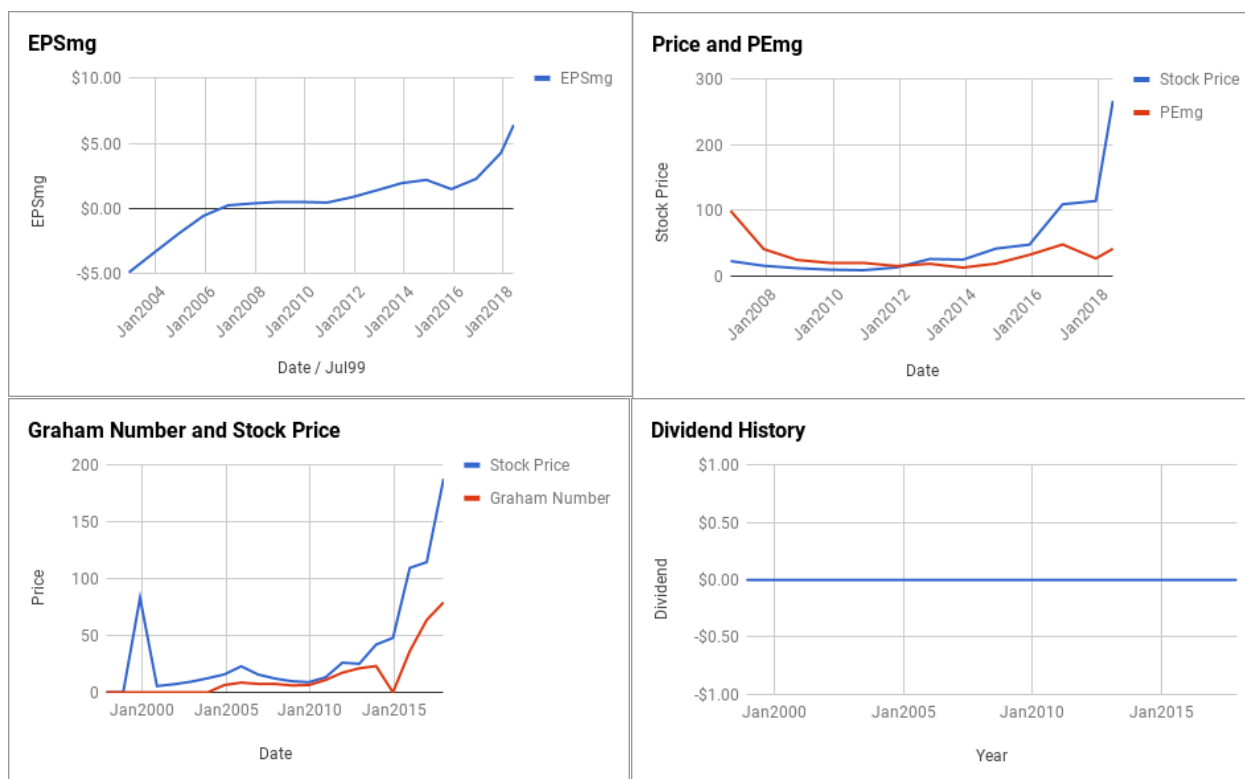
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[Morningstar](#)  
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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$9.85		\$6.41
Dec2017	\$8.19	Dec2017	\$4.26
Dec2016	\$4.12	Dec2016	\$2.27
Dec2015	-\$0.26	Dec2015	\$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	<b>Balance Sheet Information</b>	
Dec2000	-\$9.08	<b>3/1/2018</b>	
Dec1999	-\$5.18	Total Current Assets	\$325,612,000
Dec1998	-\$1.70	Total Current Liabilities	\$116,402,000
		Long-Term Debt	\$58,158,000
		Total Assets	\$727,396,000
		Intangible Assets	\$316,686,000
		Total Liabilities	\$180,742,000
		Shares Outstanding (Diluted Average)	18,511,000





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 [Stamps.com Inc Valuation – Initial Coverage \\$STMP](#)

Other  
ModernGraham  
posts about related  
companies [JC Penney Company Valuation – June 2018 \\$JCP](#)  
[Shoe Carnival Inc Valuation – June 2018 \\$SCVL](#)  
[Aaron's Inc Valuation – June 2018 \\$AAN](#)  
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[Urban Outfitters Inc Valuation – June 2018 \\$URBN](#)  
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[Kohl's Corporation Valuation – June 2018 \\$KSS](#)  
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[TJX Companies Inc Valuation – May 2018 \\$TJX](#)  
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