

ModernGraham Valuation



Company Name:

Iridium
Communications Inc

Company Ticker IRDM

Date of Analysis

7/28/2018

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	\$1,948,404,840	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.68	Pass
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	20600.00%	Pass
6. Moderate PEmg Ratio	PEmg < 20	37.09	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.16	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	2.68	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.51	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 Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.48
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$7.02
MG Value based on 0% Growth	\$4.11
Market Implied Growth Rate	14.29%

MG Opinion

Current Price	\$17.95
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$18.51
Graham Number	\$0.00
PEmg	37.09
Current Ratio	2.68
PB Ratio	1.16
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		Next Fiscal Year Estimate	
Dec2017	\$1.82	Dec2017	\$0.97
Dec2016	\$0.89	Dec2016	\$0.56
Dec2015	-\$0.09	Dec2015	\$0.44
Dec2014	\$0.69	Dec2014	\$0.68
Dec2013	\$0.71	Dec2013	\$0.55
Dec2012	\$0.83	Dec2012	\$0.37
Dec2011	\$0.56	Dec2011	\$0.10
Dec2010	\$0.27	Dec2010	-\$0.12
Dec2009	-\$0.82	Dec2009	-\$0.26
Dec2008	\$0.04	Dec2008	\$0.01
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Balance Sheet Information 3/1/2018	
Dec2000	\$0.00	Total Current Assets	\$572,185,000
Dec1999	\$0.00	Total Current Liabilities	\$213,533,000
Dec1998	\$0.00	Long-Term Debt	\$1,977,884,000
		Total Assets	\$4,111,781,000
		Intangible Assets	\$49,652,000
		Total Liabilities	\$2,503,563,000
		Shares Outstanding (Diluted Average)	104,345,000





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 [Iridium Communications Inc Valuation – Initial Coverage \\$IRDM](#)

Other ModernGraham posts about related companies [CenturyLink Inc Valuation – June 2018 \\$CTL](#)
[American Tower Corp Valuation – June 2018 \\$AMT](#)
[Charter Communications Inc Valuation – May 2018 \\$CHTR](#)
[DISH Network Corp Valuation – Initial Coverage \\$DISH](#)
[AT&T Inc Valuation – April 2018 \\$T](#)
[Comcast Corporation Valuation – March 2018 \\$CMCSA](#)
[Spok Holdings Inc Valuation – March 2018 \\$SPOK](#)
[SBA Communications Corp Valuation – Initial Coverage \\$SBAC](#)
[Harris Corporation Valuation – February 2018 \\$HRS](#)
[Verizon Communications Inc Valuation – February 2018 \\$VZ](#)