

# ModernGraham Valuation

## Company Name:

Company Ticker AKAM

Date of Analysis

2/25/2019

Akamai Technologies,  
Inc.



## 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	\$11,398,590,049	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.09	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	122.01%	Pass
5. Earnings Growth	PEmg < 20	29.64	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.60	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	2.09	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.66	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 Score		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.36
MG Growth Estimate	6.75%
<b>MG Value</b>	<b>\$51.89</b>
MG Value based on 3% Growth	\$34.20
MG Value based on 0% Growth	\$20.05
Market Implied Growth Rate	10.57%

### MG Opinion

Current Price	\$69.90
% of Intrinsic Value	134.71%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

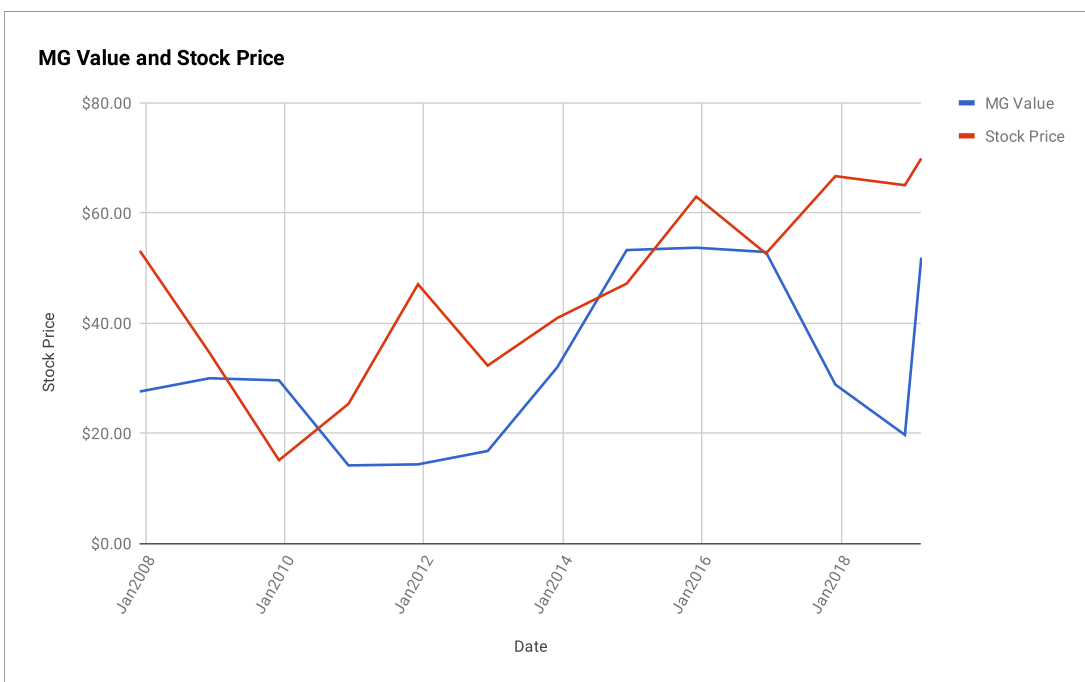
Net Current Asset Value (NCAV)	\$1.61
Graham Number	\$41.15
PEmg	29.64
Current Ratio	2.09
PB Ratio	3.60
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$3.84		\$2.36
Dec2018	\$1.76	Dec2018	\$1.64
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	<b>Balance Sheet Information 12/1/2018</b>	
Dec2001	-\$23.59	Total Current Assets	\$2,535,354,000
Dec2000	-\$10.07	Total Current Liabilities	\$1,210,709,000
Dec1999	-\$1.98	Long-Term Debt	\$874,080,000
		Total Assets	\$5,461,770,000
		Intangible Assets	\$1,655,752,000
		Total Liabilities	\$2,269,910,000
		Shares Outstanding (Diluted Average)	164,540,000





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:

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company

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[15 Best Undervalued Stocks of the Week – 8/20/16](#)  
[Akamai Technologies Inc Valuation – August 2016 \\$AKAM](#)  
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[Intuit Inc Valuation – February 2019 \\$INTU](#)  
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[Autodesk Inc Valuation – February 2019 \\$ADSK](#)  
[F5 Networks Inc Valuation – February 2019 \\$FFIV](#)  
[Cadence Design Systems Inc Valuation – January 2019 \\$CDNS](#)  
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