

ModernGraham Valuation

Company Name:

Verisign, Inc.

Company Ticker VRSN

Date of Analysis

3/7/2019



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	\$21,248,216,007	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.39	Fail
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	81.88%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	40.77	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-15.55	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	1.39	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.83	Fail
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: Determination of Intrinsic Value

EPSmg	\$4.35
MG Growth Estimate	9.85%
MG Value	\$122.80
MG Value based on 3% Growth	\$63.12
MG Value based on 0% Growth	\$37.00
Market Implied Growth Rate	16.14%

MG Opinion

Current Price	\$177.49
% of Intrinsic Value	144.54%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

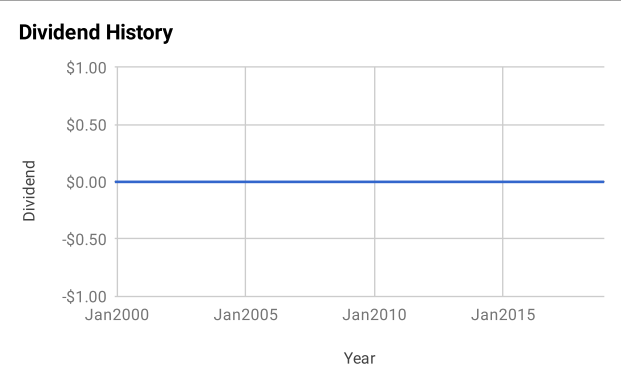
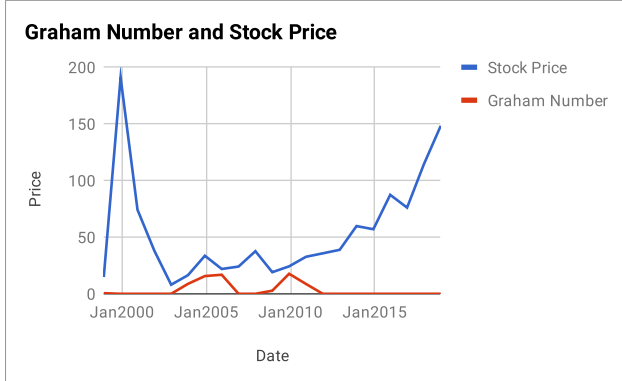
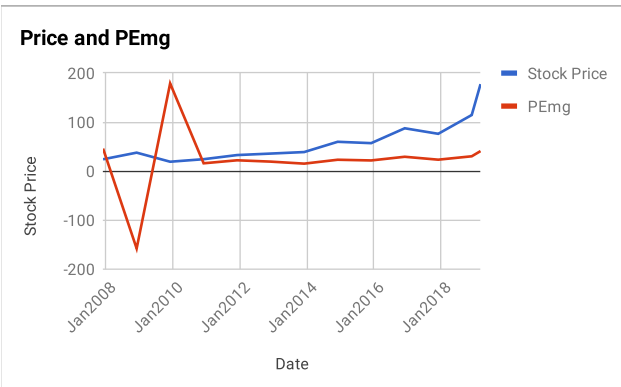
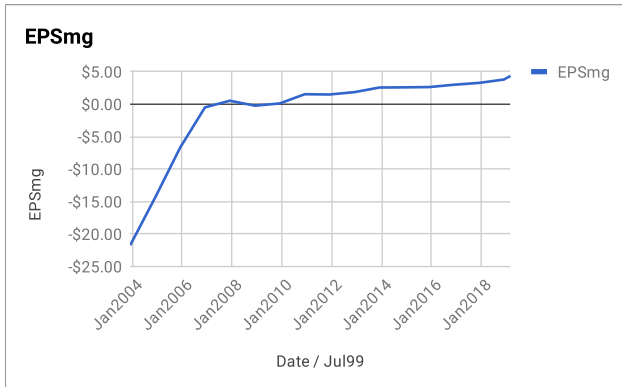
Net Current Asset Value (NCAV)	-\$16.33
Graham Number	\$0.00
PEmg	40.77
Current Ratio	1.39
PB Ratio	-15.55
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$5.12	Next Fiscal Year Estimate	\$4.35
Dec2018	\$4.75	Dec2018	\$3.79
Dec2017	\$3.68	Dec2017	\$3.27
Dec2016	\$3.42	Dec2016	\$2.99
Dec2015	\$2.82	Dec2015	\$2.63
Dec2014	\$2.52	Dec2014	\$2.58
Dec2013	\$3.49	Dec2013	\$2.56
Dec2012	\$1.95	Dec2012	\$1.85
Dec2011	\$0.86	Dec2011	\$1.48
Dec2010	\$4.64	Dec2010	\$1.53
Dec2009	\$1.28	Dec2009	\$0.11
Dec2008	-\$1.90	Dec2008	-\$0.24
Dec2007	-\$0.63	Dec2007	\$0.52
Dec2006	\$1.53	Dec2006	-\$0.49
Dec2005	\$1.63	Dec2005	-\$6.71
Dec2004	\$0.60	Dec2004	-\$14.37
Dec2003	-\$1.20	Dec2003	-\$21.73
Dec2002	-\$20.97	Balance Sheet Information	12/1/2018
Dec2001	-\$65.64	Total Current Assets	\$1,317,034,000
Dec2000	-\$19.57	Total Current Liabilities	\$947,590,000
Dec1999	\$0.03	Long-Term Debt	\$1,785,047,000
		Total Assets	\$1,914,504,000
		Intangible Assets	\$52,527,000
		Total Liabilities	\$3,299,978,000
		Shares Outstanding (Diluted Average)	121,407,000





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**
- [Verisign Inc Valuation – May 2018 \\$VRSN](#)
 - [Verisign Inc Valuation – February 2017 \\$VRSN](#)
 - [Verisign Inc Valuation – August 2016 \\$VRSN](#)
 - [Verisign Inc. Analysis – 2015 Update \\$VRSN](#)
 - [20 Companies in the Research Spotlight This Week – June 7, 2014](#)

- Other ModernGraham posts about related companies**
- [Motorola Solutions Inc Valuation – February 2019 \\$MSI](#)
 - [Gartner Inc Valuation – January 2019 \\$IT](#)
 - [Xerox Corp Valuation – January 2019 \\$XRX](#)
 - [Cognizant Technology Solutions Corp Valuation – January 2019 \\$CTSH](#)
 - [International Business Machines Corp Valuation – November 2018 \\$IBM](#)
 - [DXC Technology Corp Valuation – November 2018 \\$DXC](#)
 - [Sykes Enterprises Inc Valuation – October 2018 \\$SYKE](#)
 - [Computer Programs and Systems Inc Valuation – August 2018 \\$CPSI](#)
 - [Science Applications International Corp Valuation – July 2018 \\$SAIC](#)
 - [Acxiom Corp Valuation – July 2018 \\$ACXM](#)