

# ModernGraham Valuation

Company Name:

CA, Inc.

Company Ticker CA

Date of Analysis

8/31/2015



## 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	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Pass
5. Earnings Growth	PEmg < 20	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	Pass
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	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.11
MG Growth Estimate	4.76%
<b>MG Value</b>	<b>\$38.00</b>
MG Value based on 3% Growth	\$30.58
MG Value based on 0% Growth	\$17.92
Market Implied Growth Rate	2.19%

### MG Opinion

Current Price	\$27.15
% of Intrinsic Value	71.45%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.81
Graham Number	\$26.47
PEmg	12.88
Current Ratio	1.39
PB Ratio	2.07
Dividend Yield	3.68%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.38	Next Fiscal Year Estimate	\$2.11
Mar15	\$1.90	Mar15	\$1.95
Mar14	\$2.02	Mar14	\$1.92
Mar13	\$2.07	Mar13	\$1.81
Mar12	\$1.93	Mar12	\$1.60
Mar11	\$1.61	Mar11	\$1.33
Mar10	\$1.47	Mar10	\$1.07
Mar09	\$1.29	Mar09	\$0.76
Mar08	\$0.93	Mar08	\$0.42
Mar07	\$0.22	Mar07	\$0.09
Mar06	\$0.27	Mar06	-\$0.15
Mar05	\$0.05	Mar05	-\$0.47
Mar04	-\$0.15	Mar04	-\$0.62
Mar03	-\$0.65	Mar03	-\$0.63
Mar02	-\$2.11	Mar02	-\$0.29
Mar01	-\$0.46	Mar01	\$0.71
Mar00	\$1.23	Mar00	\$1.20
Mar99	\$1.11	<b>Balance Sheet Information Jun15</b>	
Mar98	\$2.06	Total Current Assets	\$3,745,000,000
Mar97	\$0.65	Total Current Liabilities	\$2,686,000,000
Mar96	-\$0.10	Long-Term Debt	\$1,250,000,000
		Total Assets	\$10,707,000,000
		Intangible Assets	\$6,517,000,000
		Total Liabilities	\$4,974,000,000
		Shares Outstanding (Diluted Average)	438,000,000



**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

[The Best Companies of the Software Industry – August 2015](#)

[10 Undervalued Companies for the Defensive Dividend Stock Investor – August 2015](#)

[5 Undervalued Companies for Defensive Investors With High Dividend Yields – July 2015](#)

[The 12 Best Stocks For Value Investors This Week – 5/30/15](#)

[CA Inc. Stock Analysis – May 2015 Quarterly Update \\$CA](#)

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[The Best Companies of the Software Industry – August 2015](#)

[Ansys Inc. Analysis – Initial Coverage \\$ANSS](#)

[Yahoo! Inc. Analysis – August 2015 Update \\$YHOO](#)

[Autodesk Inc. Analysis – August 2015 Update \\$ADSK](#)

[Microsoft Corporation Analysis – August 2015 Update \\$MSFT](#)

[Cisco Systems Inc. Analysis – August 2015 Update \\$CSCO](#)

[Google Inc. Analysis – July 2015 Update \\$GOOGL](#)

[Intuit Inc. Analysis – July 2015 Update \\$INTU](#)

[Oracle Corporation Analysis – July 2015 Update \\$ORCL](#)

[Adobe Systems Inc. Analysis – 2015 Update \\$ADBE](#)