

# ModernGraham Valuation

Company Name:

Teradata Corporation

Company Ticker

TDC

Date of Analysis

9/8/2015



## 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	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	Fail
5. Earnings Growth		Fail
6. Moderate PEmg Ratio	PEmg < 20	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	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	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	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	Fail

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.37
MG Growth Estimate	-2.95%
<b>MG Value</b>	<b>\$3.57</b>
MG Value based on 3% Growth	\$19.87
MG Value based on 0% Growth	\$11.65
Market Implied Growth Rate	6.49%

### MG Opinion

Current Price	\$29.44
% of Intrinsic Value	825.10%
<b>Opinion</b>	<b>Overvalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$0.20
Graham Number	#NUM!
PEmg	21.48
Current Ratio	2.08
PB Ratio	3.52
Dividend Yield	0.00%
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		Next Fiscal Year Estimate	
Dec14	-\$0.50	Dec14	\$1.37
Dec13	\$2.33	Dec13	\$2.26
Dec12	\$2.27	Dec12	\$2.15
Dec11	\$2.44	Dec11	\$2.00
Dec10	\$2.05	Dec10	\$1.71
Dec09	\$1.77	Dec09	\$1.47
Dec08	\$1.46	Dec08	\$1.29
Dec07	\$1.39	Dec07	\$1.17
Dec06	\$1.10	Dec06	\$1.01
Dec05	\$1.06	Dec05	\$0.88
Dec04	\$1.14	Dec04	\$0.68
Dec03	\$0.76	Dec03	\$0.39
Dec02	\$0.50	Dec02	\$0.17
Dec01	\$0.00	Dec01	\$0.00
Dec00	\$0.00	Dec00	\$0.00
Dec99	\$0.00	Dec99	\$0.00
Dec98	\$0.00	<b>Balance Sheet Information Jun15</b>	
Dec97	\$0.00	Total Current Assets	\$1,577,000,000
Dec96	\$0.00	Total Current Liabilities	\$757,000,000
Dec95	\$0.00	Long-Term Debt	\$585,000,000
		Total Assets	\$2,735,000,000
		Intangible Assets	\$897,000,000
		Total Liabilities	\$1,549,000,000
		Shares Outstanding (Diluted Average)	141,900,000



**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 6 Best Stocks For Value Investors This Week – 6/13/15](#)

[Teradata Corporation Analysis – June 2015 Update \\$TDC](#)

[5 Undervalued Companies for the Enterprising Investor Near 52 Week Lows – May 2015](#)

[23 Companies in the Spotlight This Week – 3/9/15](#)

[Teradata Corporation Quarterly Valuation – March 2015 \\$TDC](#)

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[Total System Services Inc. Analysis – August 2015 Update \\$TSS](#)

[Acxiom Corporation Analysis – Initial Coverage \\$ACXM](#)

[ACI Worldwide Inc. Analysis – Initial Coverage \\$ACIW](#)

[Motorola Solutions Inc. Analysis – July 2015 Update \\$MSI](#)

[Qualcomm Inc. Analysis – July 2015 Update \\$QCOM](#)

[Cognizant Technology Solutions Corp Analysis – July 2015 Update \\$CTSH](#)

[Equinix Inc. Analysis – Initial Coverage \\$EQIX](#)

[Infosys Analysis – June 2015 Update \\$INFY](#)

[Verisign Inc. Analysis – 2015 Update \\$VRSN](#)