

ModernGraham Valuation

Company Name:

Infosys Ltd ADR

Company Ticker INFY

Date of Analysis

10/2/2015



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	\$38,699,309,992	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.54	Pass
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	72.90%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	22.99	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.10	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	3.54	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.82
MG Growth Estimate	4.01%
MG Value	\$13.57
MG Value based on 3% Growth	\$11.91
MG Value based on 0% Growth	\$6.98
Market Implied Growth Rate	7.24%

MG Opinion

Current Price	\$18.89
% of Intrinsic Value	139.19%
Opinion	Overvalued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$2.26
Graham Number	\$8.41
PEmg	22.99
Current Ratio	3.54
PB Ratio	5.10
Dividend Yield	1.88%
Number of Consecutive Years of Dividend Growth	3

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	\$0.85	Next Fiscal Year Estimate	\$0.82
Mar15	\$0.88	Mar15	\$0.79
Mar14	\$0.77	Mar14	\$0.73
Mar13	\$0.76	Mar13	\$0.70
Mar12	\$0.75	Mar12	\$0.65
Mar11	\$0.66	Mar11	\$0.58
Mar10	\$0.58	Mar10	\$0.51
Mar09	\$0.56	Mar09	\$0.44
Mar08	\$0.51	Mar08	\$0.36
Mar07	\$0.38	Mar07	\$0.28
Mar06	\$0.25	Mar06	\$0.22
Mar05	\$0.19	Mar05	\$0.20
Mar04	\$0.25	Mar04	\$0.18
Mar03	\$0.18	Mar03	\$0.14
Mar02	\$0.16	Mar02	\$0.10
Mar01	\$0.12	Mar01	\$0.06
Mar00	\$0.06	Mar00	\$0.02
Mar99	\$0.01	Balance Sheet Information Jun15	
Mar98	\$0.00	Total Current Assets	\$7,294,000,000
Mar97	\$0.00	Total Current Liabilities	\$2,062,000,000
Mar96	\$0.00	Long-Term Debt	\$0
		Total Assets	\$10,587,000,000
		Intangible Assets	\$720,000,000
		Total Liabilities	\$2,125,000,000
		Shares Outstanding (Diluted Average)	2,285,672,000





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.

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