

ModernGraham Valuation

Company Name:

Invesco Ltd.

Company Ticker IVZ

Date of Analysis

10/6/2015



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	\$13,886,210,642	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.78	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	37.87%	Pass
6. Moderate PEmg Ratio	PEmg < 20	18.74	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.64	Pass

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	0.78	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-5.45	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

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.73
MG Growth Estimate	6.34%
MG Value	\$36.60
MG Value based on 3% Growth	\$25.07
MG Value based on 0% Growth	\$14.69
Market Implied Growth Rate	5.12%

MG Opinion

Current Price	\$32.39
% of Intrinsic Value	88.50%
Opinion	Fairly Valued

Stage 3: Information for Further Research

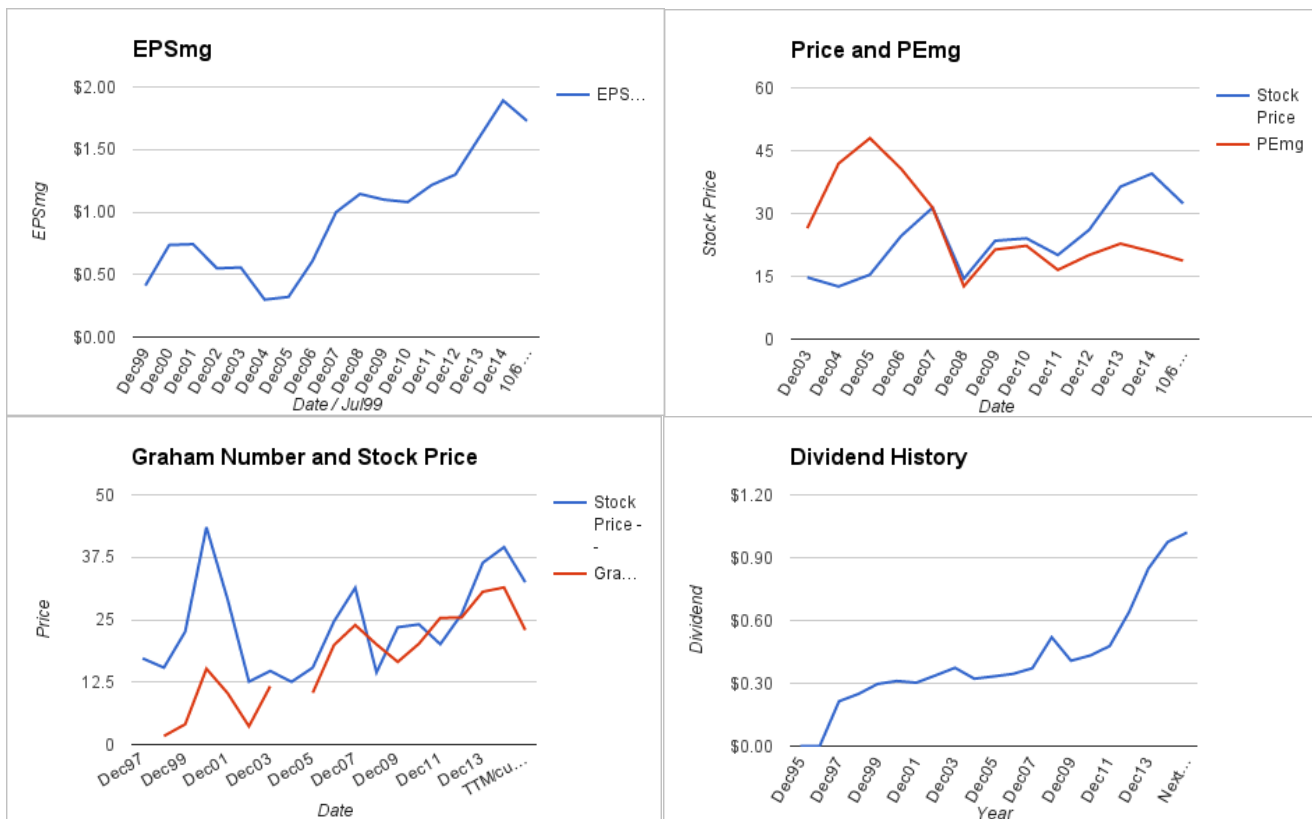
Net Current Asset Value (NCAV)	-\$23.60
Graham Number	\$22.90
PEmg	18.74
Current Ratio	0.78
PB Ratio	1.64
Dividend Yield	3.15%
Number of Consecutive Years of Dividend Growth	6

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	\$1.20	Next Fiscal Year Estimate	\$1.73
Dec14	\$2.27	Dec14	\$1.89
Dec13	\$2.10	Dec13	\$1.60
Dec12	\$1.49	Dec12	\$1.30
Dec11	\$1.57	Dec11	\$1.22
Dec10	\$1.01	Dec10	\$1.08
Dec09	\$0.76	Dec09	\$1.10
Dec08	\$1.21	Dec08	\$1.14
Dec07	\$1.64	Dec07	\$1.00
Dec06	\$1.19	Dec06	\$0.61
Dec05	\$0.54	Dec05	\$0.32
Dec04	-\$0.10	Dec04	\$0.30
Dec03	\$0.61	Dec03	\$0.56
Dec02	\$0.06	Dec02	\$0.55
Dec01	\$0.55	Dec01	\$0.74
Dec00	\$1.26	Dec00	\$0.74
Dec99	\$0.87	Dec99	\$0.41
Dec98	\$0.20	Balance Sheet Information Jun15	
Dec97	\$0.34	Total Current Assets	\$4,630,000,000
Dec96	\$0.00	Total Current Liabilities	\$5,920,700,000
Dec95	\$0.00	Long-Term Debt	\$7,029,600,000
		Total Assets	\$22,898,300,000
		Intangible Assets	\$7,809,600,000
		Total Liabilities	\$14,570,000,000
		Shares Outstanding (Diluted Average)	421,200,000





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

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

[The Best Stocks of the Financial Services Industry – September 2015](#)

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

[5 Undervalued Companies for Value Investors with a High Beta – August 2015](#)

[5 Undervalued Companies for Value Investors with a High Beta – July 2015](#)

Other ModernGraham posts about related companies

[CME Group Inc. Analysis – October 2015 Update \\$CME](#)

[T.Rowe Price Group Inc. Analysis – September 2015 Update \\$TROW](#)

[Moody's Corporation Analysis – September 2015 Update \\$MCO](#)

[The Best Stocks of the Financial Services Industry – September 2015](#)

[Franklin Resources Inc. Analysis – September 2015 Update \\$BEN](#)

[Northern Trust Corporation Analysis – September 2015 Update \\$NTRS](#)

[Legg Mason Analysis – August 2015 Update \\$LM](#)

[Capital One Financial Corporation Analysis – August 2015 Update \\$COF](#)

[Affiliated Managers Group Analysis – Initial Coverage \\$AMG](#)

[Visa Inc. Analysis – August 2015 Update \\$V](#)