

# ModernGraham Valuation

Company Name:

Total System  
Services, Inc.



Company Ticker TSS

Date of Analysis

11/17/2015

## 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	\$9,874,712,425 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.75 Pass
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	37.10% Pass
6. Moderate PEmg Ratio	PEmg < 20	32.29 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.22 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	2.75 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.41 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>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.66
MG Growth Estimate	7.39%
<b>MG Value</b>	<b>\$38.70</b>
MG Value based on 3% Growth	\$24.10
MG Value based on 0% Growth	\$14.13
Market Implied Growth Rate	11.90%

### MG Opinion

Current Price	\$53.67
% of Intrinsic Value	138.69%
<b>Opinion</b>	<b>Overvalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$6.13
Graham Number	\$21.90
PEmg	32.29
Current Ratio	2.75
PB Ratio	5.22
Dividend Yield	0.75%
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	\$2.09	Next Fiscal Year Estimate	\$1.66
Dec14	\$1.72	Dec14	\$1.39
Dec13	\$1.29	Dec13	\$1.21
Dec12	\$1.29	Dec12	\$1.16
Dec11	\$1.15	Dec11	\$1.11
Dec10	\$0.99	Dec10	\$1.12
Dec09	\$1.09	Dec09	\$1.17
Dec08	\$1.26	Dec08	\$1.17
Dec07	\$1.20	Dec07	\$1.08
Dec06	\$1.26	Dec06	\$0.97
Dec05	\$0.99	Dec05	\$0.80
Dec04	\$0.76	Dec04	\$0.67
Dec03	\$0.71	Dec03	\$0.60
Dec02	\$0.64	Dec02	\$0.51
Dec01	\$0.53	Dec01	\$0.42
Dec00	\$0.45	Dec00	\$0.35
Dec99	\$0.35	Dec99	\$0.28
Dec98	\$0.28	<b>Balance Sheet Information                      Sep15</b>	
Dec97	\$0.25	Total Current Assets	\$896,324,000
Dec96	\$0.20	Total Current Liabilities	\$325,361,000
Dec95	\$0.14	Long-Term Debt	\$1,377,927,000
		Total Assets	\$3,889,522,000
		Intangible Assets	\$2,501,172,000
		Total Liabilities	\$2,013,907,000
		Shares Outstanding (Diluted Average)	182,431,000





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

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

[30 Companies in the Spotlight This Week – 5/23/15](#)

[Total System Services Inc. Quarterly Valuation – May 2015 \\$TSS](#)

[34 Companies in the Spotlight This Week – 2/7/15](#)

[Total System Services Inc. Quarterly Valuation – February 2015 \\$TSS](#)

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posts about related  
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[Motorola Solutions Inc. Valuation – November 2015 Update \\$MSI](#)

[Qualcomm Inc. Valuation – October 2015 Update \\$QCOM](#)

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

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

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

[Akamai Technologies Inc. Analysis – August 2015 Update \\$AKAM](#)

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

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

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