ModernGraham Valuation

Company Name:

Company Ticker TSS Date of Analysis Total System Services, Inc.



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.

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	1. Adequat	te Size of the Enterprise	Market Cap > \$2Bil	\$9,8	74,712,425 Pa	SS
	2. Sufficier	ntly Strong Financial Condition	Current Ratio > 2		2.75 Pa	SS
	3. Earning	s Stability	Positive EPS for 10 years	prior	Pa	SS
	4. Dividend	d Record	Dividend Payments for 10	years prior	Pa	SS
	5. Earning	s Growth	Increase of 33% in EPS in years using 3 year average beginning and end		37.10% Pa	SS
	6. Moderat	e PEmg Ratio	PEmg < 20		32.29 Fa	il
	7. Moderat	e Price to Assets	PB Ratio < 2.5 OR PB*PE	mg < 50	5.22 Fa	il
Enterprising Investor;	must pass 4	out of the following 5 tests, or b	e suitable for the Defensive	Investor.		
	1. Sufficier	ntly Strong Financial Condition	Current Ratio > 1.5		2.75 Pa	SS
	2. Sufficier	ntly Strong Financial Condition	Debt to NCA < 1.1		2.41 Fa	il
	3. Earning	s Stability	Positive EPS for 5 years p	rior	Pa	SS
	4. Dividend	d Record	Currently Pays Dividend		Pa	SS
	5. Earning	s Growth	EPSmg greater than 5 yea	irs ago	Pa	SS

Suitability

Defensive	No
Enterprising	Yes

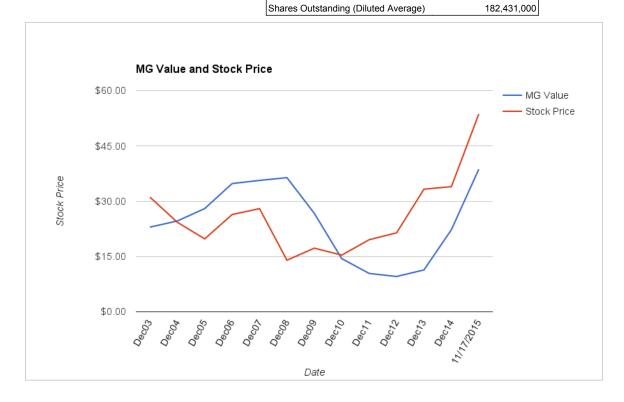
Stage 2: Determination of Intrinsic Value

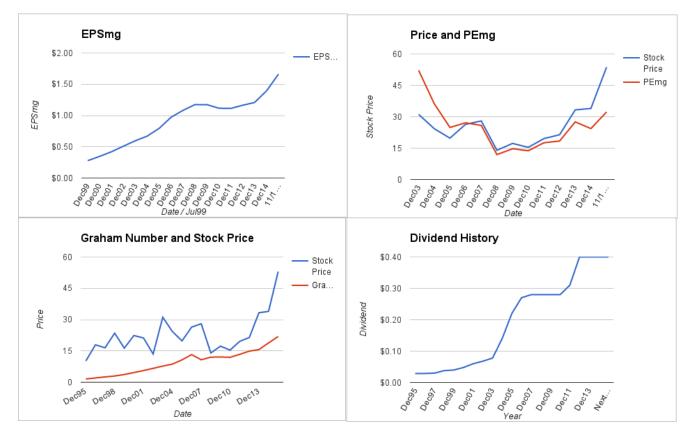
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	EPSmg		\$1.66
	MG Growth Estimate		7.39%
	MG Value		\$38.70
	MG Value based on 3% Growth		\$24.10
	MG Value based on 0% Growth		\$14.13
	Market Implied Growth Rate		11.90%
MG Opinion			
	Current Price		\$53.67
	% of Intrinsic Value		138.69%
	Opinion	Overvalued	
Stage 3: Infor	rmation for Further Researc	ch	
	Net Current Asset Value (NCAV)		-\$6.13
	Graham Number		\$21.90
	PEmg		32.29

FEllig	52.29
Current Ratio	2.75
PB Ratio	5.22
Dividend Yield	0.75%
Number of Consecutive Years of Dividend Growth	0

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	\$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	Balance Sheet Information	Sep15
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
			100,101,000





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	
Other ModernGraham posts about related companies	International Business Machines Corp Valuation - November 2015 Update \$IBM	
	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