

ModernGraham Valuation

Company Name:

CA, Inc.

Company Ticker CA

Date of Analysis

1/29/2016



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	\$11,913,125,951	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.28	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	140.98%	Pass
6. Moderate PEmg Ratio	PEmg < 20	14.52	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.30	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	1.28	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.59	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	\$1.97
MG Growth Estimate	3.45%
MG Value	\$30.31
MG Value based on 3% Growth	\$28.55
MG Value based on 0% Growth	\$16.73
Market Implied Growth Rate	3.01%

MG Opinion

Current Price	\$28.58
% of Intrinsic Value	94.29%
Opinion	Fairly Valued

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$5.17
Graham Number	\$23.64
PEmg	14.52
Current Ratio	1.28
PB Ratio	2.30
Dividend Yield	3.50%
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	\$1.96	Next Fiscal Year Estimate	\$1.97
Mar2015	\$1.90	Mar2015	\$1.95
Mar2014	\$2.02	Mar2014	\$1.92
Mar2013	\$2.07	Mar2013	\$1.81
Mar2012	\$1.93	Mar2012	\$1.60
Mar2011	\$1.61	Mar2011	\$1.33
Mar2010	\$1.47	Mar2010	\$1.07
Mar2009	\$1.29	Mar2009	\$0.76
Mar2008	\$0.93	Mar2008	\$0.42
Mar2007	\$0.22	Mar2007	\$0.09
Mar2006	\$0.27	Mar2006	-\$0.15
Mar2005	\$0.05	Mar2005	-\$0.47
Mar2004	-\$0.15	Mar2004	-\$0.62
Mar2003	-\$0.65	Mar2003	-\$0.63
Mar2002	-\$2.11	Mar2002	-\$0.29
Mar2001	-\$0.46	Mar2001	\$0.71
Mar2000	\$1.23	Mar2000	\$1.20
Mar1999	\$1.11	Balance Sheet Information	
Mar1998	\$2.06	Dec2015	
Mar1997	\$0.65	Total Current Assets	\$3,454,000,000
Mar1996	-\$0.10	Total Current Liabilities	\$2,699,000,000
		Long-Term Debt	\$1,956,000,000
		Total Assets	\$10,857,000,000
		Intangible Assets	\$6,989,000,000
		Total Liabilities	\$5,630,000,000
		Shares Outstanding (Diluted Average)	421,000,000





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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