# ModernGraham Valuation

## Company Name:

Infosys Ltd ADR

| | |
|---|---|
| Company Ticker | INFY |
| Date of Analysis | 1/5/2016 |

## 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.*

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|---|---|---|---|---|
| 1. | Adequate Size of the Enterprise | Market Cap > $2Bil | $37,098,608,972 | Pass |
| 2. | Sufficiently Strong Financial Condition | Current Ratio > 2 | 3.73 | 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 | 60.37% | Pass |
| 6. | Moderate PEmg Ratio | PEmg < 20 | 21.40 | Fail |
| 7. | Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 42.72 | 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 | 3.73 | 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 | $0.76 |
| MG Growth Estimate | 2.53% |
| **MG Value** | **$10.26** |
| MG Value based on 3% Growth | $10.98 |
| MG Value based on 0% Growth | $6.43 |
| Market Implied Growth Rate | 6.45% |

*MG Opinion*

| | |
|---|---|
| Current Price | $16.20 |
| % of Intrinsic Value | 157.88% |
| **Opinion** | **Overvalued** |

## Stage 3: Information for Further Research

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|---|---|
| Net Current Asset Value (NCAV) | $0.23 |
| Graham Number | $2.38 |
| PEmg | 21.40 |
| Current Ratio | 3.73 |
| PB Ratio | 42.72 |
| Dividend Yield | 2.17% |
| Number of Consecutive Years of Dividend Growth | 8 |

**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 | $0.66 | Next Fiscal Year Estimate | $0.76 |
| Mar15 | $0.88 | Mar15 | $0.79 |
| Mar14 | $0.75 | Mar14 | $0.73 |
| Mar13 | $0.75 | Mar13 | $0.70 |
| Mar12 | $0.76 | Mar12 | $0.65 |
| Mar11 | $0.65 | Mar11 | $0.57 |
| Mar10 | $0.57 | Mar10 | $0.51 |
| Mar09 | $0.56 | Mar09 | $0.44 |
| Mar08 | $0.50 | Mar08 | $0.36 |
| Mar07 | $0.37 | Mar07 | $0.27 |
| Mar06 | $0.25 | Mar06 | $0.22 |
| Mar05 | $0.19 | Mar05 | $0.19 |
| Mar04 | $0.24 | 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 |

| EPS History | | Balance Sheet Information | Sep15 |
|---|---|---|---|
| Mar99 | $0.02 | | |
| Mar98 | $0.00 | Total Current Assets | $741,747,700 |
| Mar97 | $0.00 | Total Current Liabilities | $198,846,200 |
| Mar96 | $0.00 | Long-Term Debt | $0 |
| | | Total Assets | $1,071,627,000 |
| | | Intangible Assets | $69,294,680 |
| | | Total Liabilities | $204,952,000 |
| | | Shares Outstanding (Diluted Average) | 2,285,713,000 |



MG Value and Stock Price

## EPSmg



## Price and PEmg



## Graham Number and Stock Price



## Dividend History



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** | Infosys Limited Analysis – October 2015 Update $INFY |
| | The 8 Best Stocks For Value Investors This Week – 6/27/15 |
| | Infosys Analysis – June 2015 Update $INFY |
| | 24 Companies in the Spotlight This Week – 3/28/15 |
| | Infosys Limited Quarterly Valuation – March 2015 $INFY |
| | |
| **Other ModernGraham posts about related companies** | Total System Services Inc. Valuation – November 2015 Update $TSS |
| | 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 |