

ModernGraham Valuation

Company Name:

Invesco Ltd.

Company Ticker IVZ

Date of Analysis

1/25/2016



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	\$12,495,459,997	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.62	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	66.58%	Pass
6. Moderate PEmg Ratio	PEmg < 20	13.54	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.48	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	0.62	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-2.43	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	\$2.12
MG Growth Estimate	11.11%
MG Value	\$64.97
MG Value based on 3% Growth	\$30.67
MG Value based on 0% Growth	\$17.98
Market Implied Growth Rate	2.52%

MG Opinion

Current Price	\$28.65
% of Intrinsic Value	44.09%
Opinion	Undervalued

Stage 3: Information for Further Research

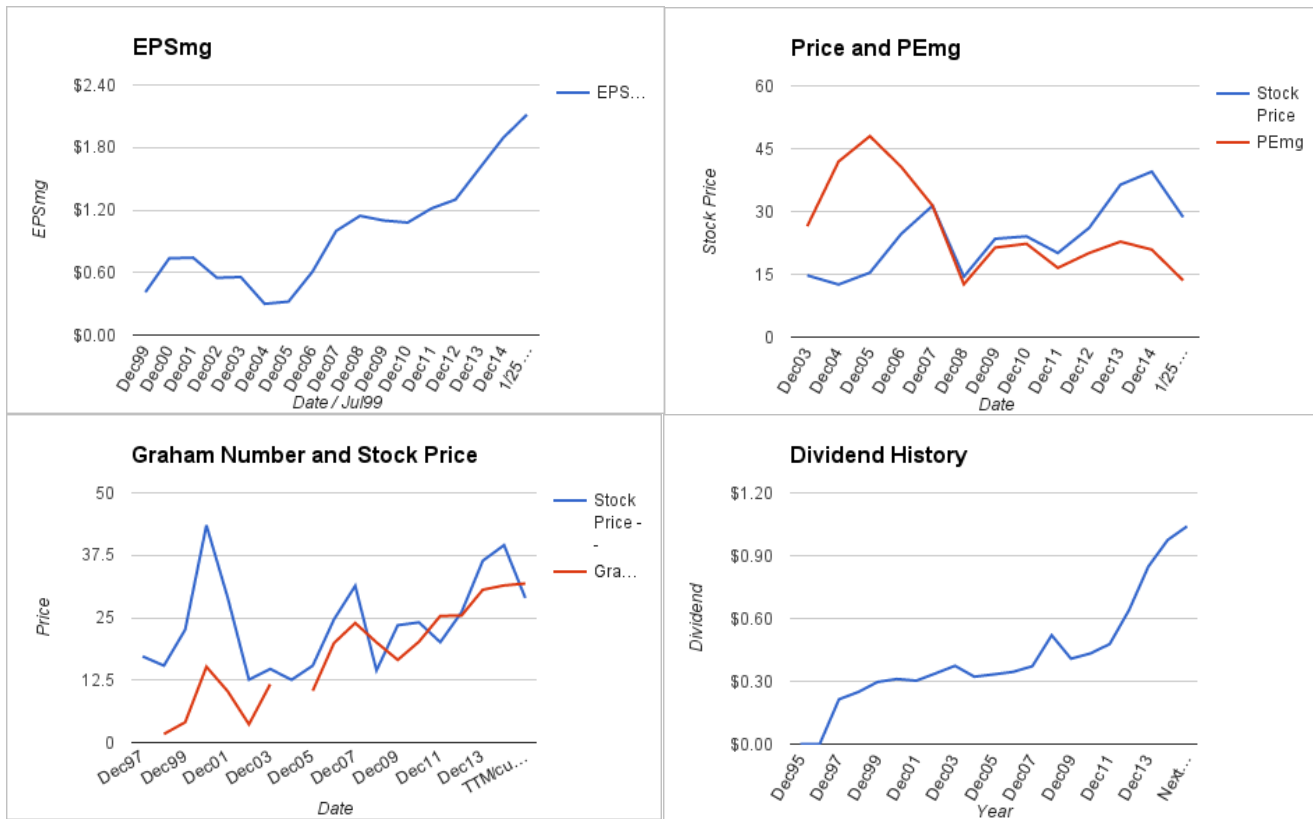
Net Current Asset Value (NCAV)	-\$28.64
Graham Number	\$31.84
PEmg	13.54
Current Ratio	0.62
PB Ratio	1.48
Dividend Yield	3.63%
Number of Consecutive Years of Dividend Growth	6

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	\$2.36	Next Fiscal Year Estimate	\$2.12
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 Sep15	
Dec97	\$0.34	Total Current Assets	\$4,887,900,000
Dec96	\$0.00	Total Current Liabilities	\$7,916,600,000
Dec95	\$0.00	Long-Term Debt	\$7,359,000,000
		Total Assets	\$24,962,200,000
		Intangible Assets	\$7,626,900,000
		Total Liabilities	\$16,869,500,000
		Shares Outstanding (Diluted Average)	418,300,000





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 – December 2015](#)
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – November 2015](#)
- [8 Best Stocks For Value Investors This Week – 10/13/15](#)
- [5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – October 2015](#)
- [Invesco Limited Analysis – October 2015 Update \\$IVZ](#)

Other ModernGraham posts about related companies

- [Legg Mason Inc Valuation – December 2015 Update \\$LM](#)
- [Visa Inc Valuation – November 2015 Update \\$V](#)
- [Ameriprise Financial Inc. Valuation – November 2015 Update \\$AMP](#)
- [BlackRock Inc. Valuation – November 2015 Update \\$BLK](#)
- [Goldman Sachs Group Inc. Valuation – November 2015 Update \\$GS](#)
- [American Express Company Valuation – October 2015 Update \\$AXP](#)
- [KKR & Co. LP Valuation – October 2015 Update \\$KKR](#)
- [Invesco Limited Analysis – October 2015 Update \\$IVZ](#)
- [CME Group Inc. Analysis – October 2015 Update \\$CME](#)
- [T.Rowe Price Group Inc. Analysis – September 2015 Update \\$TROW](#)