ModernGraham Valuation

Company Name:

ANSYS, Inc.

Company Ticker

ANSS

Date of Analysis 6/12/2016



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.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$7,569,394,819 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.36 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	150.56% Pass
6. Moderate PEmg Ratio	PEmg < 20	29.83 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.53 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	2.36 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	Fail
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive No Enterprising Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.93
MG Growth Estimate	9.36%
MG Value	\$79.81
MG Value based on 3% Growth	\$42.52
MG Value based on 0% Growth	\$24.93
Market Implied Growth Rate	10.66%

MG Opinion

Current Price \$87.47 % of Intrinsic Value 109.59%

Opinion Fairly Valued

MG Grade C+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$6.59
Graham Number	\$44.78
PEmg	29.83
Current Ratio	2.36
PB Ratio	3.53
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

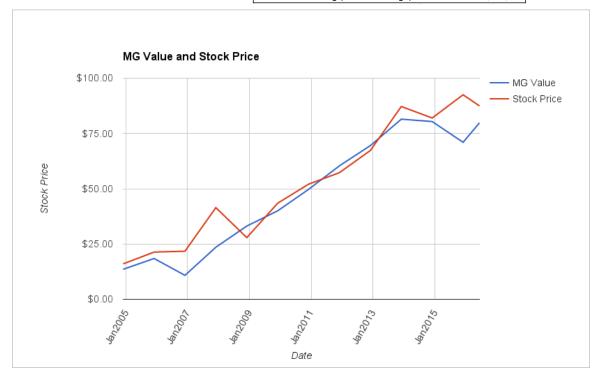
Morningstar

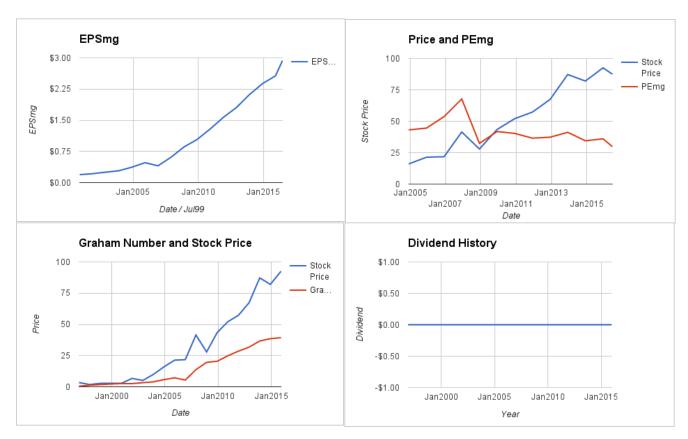
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GuruFocus SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	¢3 51	Next Fiscal Year Estimate	\$2.93
	• • •		
Dec2015	\$2.76	Dec2015	\$2.57
Dec2014	\$2.70	Dec2014	\$2.38
Dec2013	\$2.58	Dec2013	\$2.12
Dec2012	\$2.14	Dec2012	\$1.81
Dec2011	\$1.91	Dec2011	\$1.57
Dec2010	\$1.64	Dec2010	\$1.29
Dec2009	\$1.27	Dec2009	\$1.04
Dec2008	\$1.29	Dec2008	\$0.86
Dec2007	\$1.02	Dec2007	\$0.61
Dec2006	\$0.19	Dec2006	\$0.41
Dec2005	\$0.65	Dec2005	\$0.48
Dec2004	\$0.53	Dec2004	\$0.37
Dec2003	\$0.34	Dec2003	\$0.29
Dec2002	\$0.31	Dec2002	\$0.25
Dec2001	\$0.22	Dec2001	\$0.22
Dec2000	\$0.25	Dec2000	\$0.19
Dec1999	\$0.22	Balance Sheet Information	3/1/2016
Dec1998	\$0.17	Total Current Assets	\$1,118,679,000
Dec1997	\$0.11	Total Current Liabilities	\$474,824,000
Dec1996	\$0.02	Long-Term Debt	\$0
		Total Assets	\$2,758,828,000
		Intangible Assets	\$1,543,806,000
		Total Liabilities	\$524,925,000
		Shares Outstanding (Diluted Average)	90,084,000





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 Ansys Inc. Valuation – November 2015 Update \$ANSS

The Best Companies of the Software Industry – August 2015

Ansys Inc. Analysis - Initial Coverage \$ANSS

Other ModernGraham posts about related companies Citrix Systems Inc Valuation – May 2016 \$CTXS

Symantec Corp Valuation – February 2016 \$SYMC

Microsoft Corp Valuation – February 2016 \$MSFT

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