

ModernGraham Valuation

Company Name:

CA, Inc.

Company Ticker CA

Date of Analysis

7/3/2016



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	\$13,758,473,405	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.23	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	68.56%	Pass
6. Moderate PEmg Ratio	PEmg < 20	15.56	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.60	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	1.23	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.92	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	\$2.11
MG Growth Estimate	2.47%
MG Value	\$28.32
MG Value based on 3% Growth	\$30.55
MG Value based on 0% Growth	\$17.91
Market Implied Growth Rate	3.53%

MG Opinion

Current Price	\$32.78
% of Intrinsic Value	115.75%
Opinion	Overvalued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$5.30
Graham Number	\$27.13
PEmg	15.56
Current Ratio	1.23
PB Ratio	2.60
Current Dividend	\$1.00
Dividend Yield	3.05%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.51	Next Fiscal Year Estimate	\$2.11
Mar2016	\$1.81	Mar2016	\$1.92
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	\$0.43
Mar2007	\$0.22	Mar2007	\$0.12
Mar2006	\$0.27	Mar2006	-\$0.09
Mar2005	\$0.02	Mar2005	-\$0.40
Mar2004	\$0.04	Mar2004	-\$0.54
Mar2003	-\$0.46	Mar2003	-\$0.63
Mar2002	-\$1.91	Mar2002	-\$0.37
Mar2001	-\$1.02	Mar2001	\$0.53
Mar2000	\$1.25	Balance Sheet Information 3/1/2016	
Mar1999	\$1.11	Total Current Assets	\$3,561,000,000
Mar1998	\$2.06	Total Current Liabilities	\$2,894,000,000
Mar1997	\$0.64	Long-Term Debt	\$1,947,000,000
		Total Assets	\$11,204,000,000
		Intangible Assets	\$6,881,000,000
		Total Liabilities	\$5,826,000,000
		Shares Outstanding (Diluted Average)	427,000,000





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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