

ModernGraham Valuation

Company Name:

Infosys Ltd ADR

Company Ticker INFY

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	\$39,835,973,504	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.90	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	64.94%	Pass
6. Moderate PEmg Ratio	PEmg < 20	20.39	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.39	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	3.90	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	\$0.88
MG Growth Estimate	3.91%
MG Value	\$14.33
MG Value based on 3% Growth	\$12.74
MG Value based on 0% Growth	\$7.47
Market Implied Growth Rate	5.95%

MG Opinion

Current Price	\$17.91
% of Intrinsic Value	125.00%
Opinion	Overvalued
MG Grade	C+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$2.51
Graham Number	\$9.22
PEmg	20.39
Current Ratio	3.90
PB Ratio	4.39
Current Dividend	\$0.39
Dividend Yield	2.15%
Number of Consecutive Years of Dividend Growth	4

Useful Links:

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

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.93	Next Fiscal Year Estimate	\$0.88
Mar2016	\$0.90	Mar2016	\$0.84
Mar2015	\$0.88	Mar2015	\$0.79
Mar2014	\$0.77	Mar2014	\$0.73
Mar2013	\$0.76	Mar2013	\$0.70
Mar2012	\$0.75	Mar2012	\$0.65
Mar2011	\$0.66	Mar2011	\$0.58
Mar2010	\$0.58	Mar2010	\$0.51
Mar2009	\$0.56	Mar2009	\$0.44
Mar2008	\$0.51	Mar2008	\$0.35
Mar2007	\$0.38	Mar2007	\$0.25
Mar2006	\$0.25	Mar2006	\$0.18
Mar2005	\$0.19	Mar2005	\$0.13
Mar2004	\$0.13	Mar2004	\$0.09
Mar2003	\$0.09	Mar2003	\$0.07
Mar2002	\$0.08	Mar2002	\$0.05
Mar2001	\$0.06	Mar2001	\$0.03
Mar2000	\$0.03	Balance Sheet Information 3/1/2016	
Mar1999	\$0.01	Total Current Assets	\$7,802,000,000
Dec1998	\$0.00	Total Current Liabilities	\$1,998,000,000
Dec1997	\$0.00	Long-Term Debt	\$0
		Total Assets	\$11,378,000,000
		Intangible Assets	\$717,000,000
		Total Liabilities	\$2,054,000,000
		Shares Outstanding (Diluted Average)	2,285,719,000





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:

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ModernGraham
posts about the
company

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- [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](#)
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- [Qualcomm Inc Valuation – February 2016 \\$QCOM](#)
- [Motorola Solutions Inc Valuation – February 2016 Update \\$MSI](#)
- [Cognizant Technology Solutions Corp Valuation – January 2016 Update \\$CTSH](#)
- [Akamai Technologies Inc Valuation – January 2016 \\$AKAM](#)
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