

ModernGraham Valuation

Company Name:

Invesco Ltd.

Company Ticker IVZ

Date of Analysis

7/24/2016



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	\$12,014,816,894	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.50	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	84.76%	Pass
6. Moderate PEmg Ratio	PEmg < 20	13.24	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.47	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	0.50	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-1.19	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	\$2.15
MG Growth Estimate	9.81%
MG Value	\$60.45
MG Value based on 3% Growth	\$31.17
MG Value based on 0% Growth	\$18.27
Market Implied Growth Rate	2.37%

MG Opinion

Current Price	\$28.45
% of Intrinsic Value	47.06%
Opinion	Undervalued
MG Grade	A

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$25.68
Graham Number	\$30.20
PEmg	13.24
Current Ratio	0.50
PB Ratio	1.47
Current Dividend	\$1.08
Dividend Yield	3.80%
Number of Consecutive Years of Dividend Growth	7

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.14	Next Fiscal Year Estimate	\$2.15
Dec2015	\$2.26	Dec2015	\$2.08
Dec2014	\$2.27	Dec2014	\$1.89
Dec2013	\$2.10	Dec2013	\$1.60
Dec2012	\$1.49	Dec2012	\$1.30
Dec2011	\$1.57	Dec2011	\$1.22
Dec2010	\$1.01	Dec2010	\$1.04
Dec2009	\$0.76	Dec2009	\$1.00
Dec2008	\$1.21	Dec2008	\$0.97
Dec2007	\$1.64	Dec2007	\$0.70
Dec2006	\$0.60	Dec2006	\$0.18
Dec2005	\$0.26	Dec2005	-\$0.01
Dec2004	-\$0.42	Dec2004	-\$0.09
Dec2003	-\$0.04	Dec2003	\$0.10
Dec2002	\$0.03	Dec2002	\$0.16
Dec2001	\$0.28	Dec2001	\$0.23
Dec2000	\$0.24	Dec2000	\$0.19
Dec1999	\$0.18	Balance Sheet Information 3/1/2016	
Dec1998	\$0.10	Total Current Assets	\$4,280,000,000
Dec1997	\$0.34	Total Current Liabilities	\$8,598,100,000
Dec1996	\$0.00	Long-Term Debt	\$5,134,400,000
		Total Assets	\$22,658,200,000
		Intangible Assets	\$7,653,600,000
		Total Liabilities	\$14,754,200,000
		Shares Outstanding (Diluted Average)	407,900,000





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 Most Undervalued Companies for the Defensive Investor – July 2016](#)
- [5 Companies for Value Investors with a High Beta – July 2016](#)
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – June 2016](#)
- [10 Companies Benjamin Graham Would Invest In Today – June 2016](#)
- [10 Companies Benjamin Graham Would Invest In Today – May 2016](#)

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- [E*Trade Financial Corp Valuation – July 2016 \\$ETFC](#)
- [CBRE Group Inc Valuation – July 2016 \\$CBG](#)
- [Fidelity National Information Services Valuation – July 2016 \\$FIS](#)
- [Capital One Financial Corp Valuation – July 2016 \\$COF](#)
- [Intercontinental Exchange Inc Valuation – July 2016 \\$ICE](#)
- [H&R Block Inc Valuation – June 2016 \\$HRB](#)
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- [Legg Mason Inc Valuation – June 2016 \\$LM](#)