

ModernGraham Valuation

Company Name:

ACI Worldwide Inc

Company Ticker ACIW

Date of Analysis

11/20/2016



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	\$2,215,717,012 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.75 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. Dividend Record	Dividend Payments for 10 years prior	Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	904.83% Pass
6. Moderate PEmg Ratio	PEmg < 20	28.15 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.13 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	0.75 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-7.29 Fail
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	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.67
MG Growth Estimate	14.27%
MG Value	\$24.67
MG Value based on 3% Growth	\$9.66
MG Value based on 0% Growth	\$5.66
Market Implied Growth Rate	9.83%

MG Opinion

Current Price	\$18.75
% of Intrinsic Value	75.99%
Opinion	Fairly Valued
MG Grade	D+

Stage 3: Information for Further Research

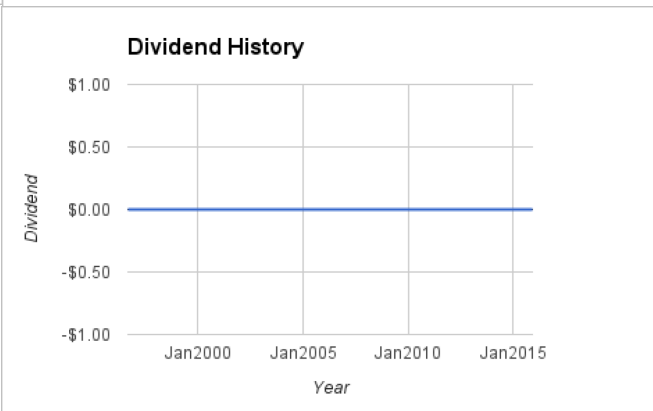
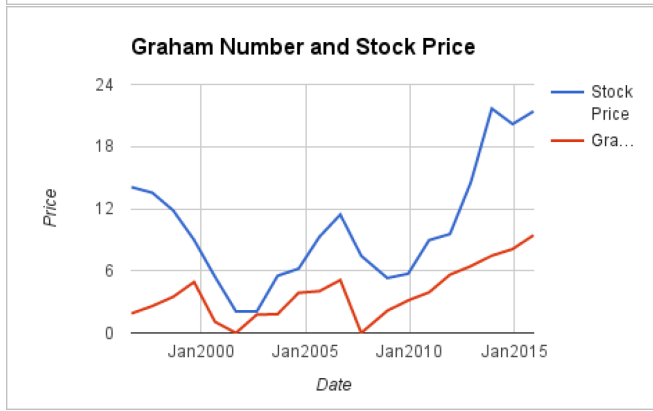
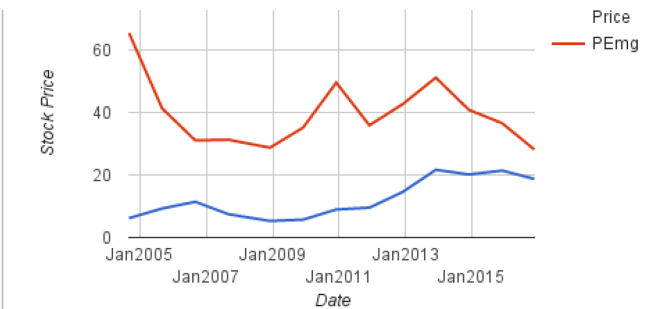
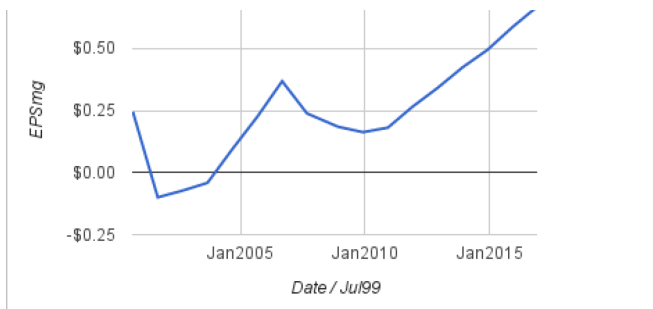
Net Current Asset Value (NCAV)	-\$7.27
Graham Number	\$10.20
PEmg	28.15
Current Ratio	0.75
PB Ratio	3.13
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$0.78	Next Fiscal Year Estimate	\$0.67
Dec2015	\$0.72	Dec2015	\$0.59
Dec2014	\$0.58	Dec2014	\$0.49
Dec2013	\$0.53	Dec2013	\$0.42
Dec2012	\$0.41	Dec2012	\$0.34
Dec2011	\$0.45	Dec2011	\$0.27
Dec2010	\$0.27	Dec2010	\$0.18
Dec2009	\$0.19	Dec2009	\$0.16
Dec2008	\$0.10	Dec2008	\$0.18
Sep2007	-\$0.08	Sep2007	\$0.24
Sep2006	\$0.48	Sep2006	\$0.37
Sep2005	\$0.37	Sep2005	\$0.22
Sep2004	\$0.40	Sep2004	\$0.09
Sep2003	\$0.13	Sep2003	-\$0.04
Sep2002	\$0.14	Sep2002	-\$0.07
Sep2001	-\$0.78	Sep2001	-\$0.10
Sep2000	\$0.02	Sep2000	\$0.24
Sep1999	\$0.46	Balance Sheet Information 9/1/2016	
Sep1998	\$0.34	Total Current Assets	\$262,768,000
Sep1997	\$0.27	Total Current Liabilities	\$352,223,000
Sep1996	\$0.16	Long-Term Debt	\$652,387,000
		Total Assets	\$1,802,186,000
		Intangible Assets	\$1,316,993,000
		Total Liabilities	\$1,107,424,000
		Shares Outstanding (Diluted Average)	116,118,000





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 [ACI Worldwide Inc. Analysis – Initial Coverage \\$ACIW](#)

Other ModernGraham posts about related companies [Qualcomm Inc Valuation – August 2016 \\$QCOM](#)
[Verisign Inc Valuation – August 2016 \\$VRSN](#)
[Akamai Technologies Inc Valuation – August 2016 \\$AKAM](#)
[Motorola Solutions Inc Valuation – August 2016 \\$MSI](#)
[F5 Networks Inc Valuation – July 2016 \\$FFIV](#)
[Computer Sciences Corp Valuation – July 2016 \\$CSC](#)
[Infosys Ltd Valuation – July 2016 \\$INFY](#)
[Cognizant Technology Solutions Corp Valuation – July 2016 \\$CTSH](#)
[Total System Services Inc Valuation – May 2016 \\$TSS](#)
[Qualcomm Inc Valuation – February 2016 \\$QCOM](#)