

# ModernGraham Valuation



## Company Name:

Total System  
Services, Inc.

Company Ticker TSS

Date of Analysis

2/27/2018

## 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	\$15,990,035,596	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.09	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	178.64%	Pass
6. Moderate PEmg Ratio	PEmg < 20	29.97	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.28	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	1.09	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	28.75	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 Score		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.94
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$113.04</b>
MG Value based on 3% Growth	\$42.57
MG Value based on 0% Growth	\$24.96
Market Implied Growth Rate	10.73%

### MG Opinion

Current Price	\$87.99
% of Intrinsic Value	77.84%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>D</b>

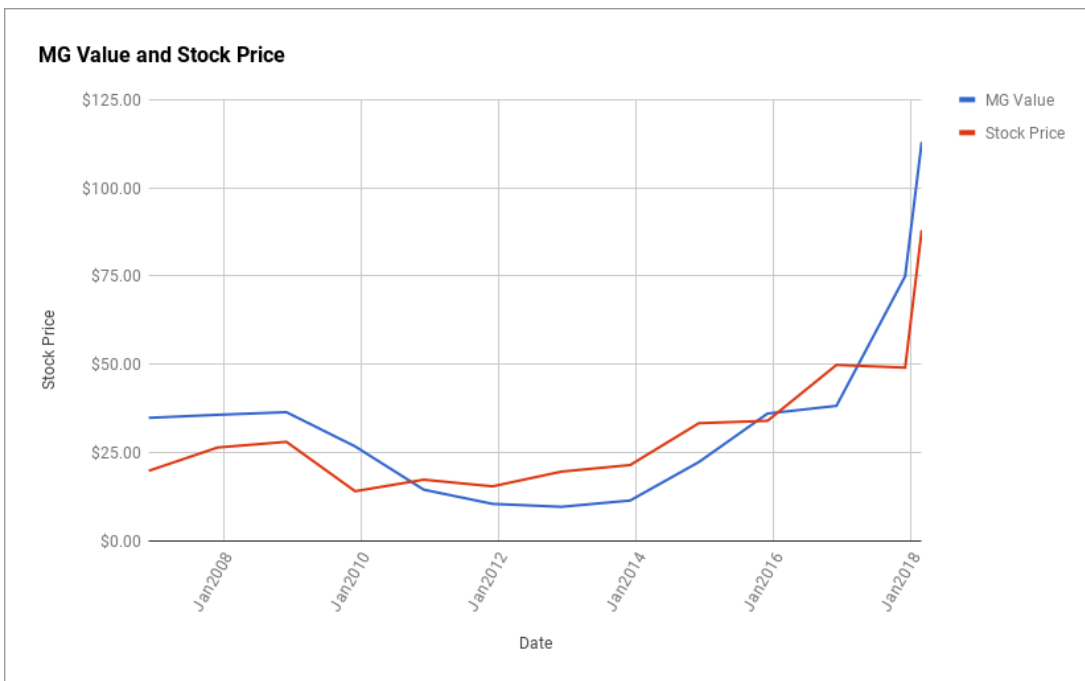
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$16.25
Graham Number	\$33.57
PEmg	29.97
Current Ratio	1.09
PB Ratio	7.28
Current Dividend	\$0.46
Dividend Yield	0.52%
Number of Consecutive Years of Dividend Growth	1

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.11	Next Fiscal Year Estimate	\$2.94
Dec2017	\$3.16	Dec2017	\$2.22
Dec2016	\$1.73	Dec2016	\$1.70
Dec2015	\$1.97	Dec2015	\$1.62
Dec2014	\$1.72	Dec2014	\$1.39
Dec2013	\$1.29	Dec2013	\$1.21
Dec2012	\$1.29	Dec2012	\$1.16
Dec2011	\$1.15	Dec2011	\$1.11
Dec2010	\$0.99	Dec2010	\$1.12
Dec2009	\$1.09	Dec2009	\$1.17
Dec2008	\$1.26	Dec2008	\$1.17
Dec2007	\$1.20	Dec2007	\$1.08
Dec2006	\$1.26	Dec2006	\$0.97
Dec2005	\$0.99	Dec2005	\$0.80
Dec2004	\$0.76	Dec2004	\$0.67
Dec2003	\$0.71	Dec2003	\$0.60
Dec2002	\$0.64	Dec2002	\$0.51
Dec2001	\$0.53	<b>Balance Sheet Information 12/1/2017</b>	
Dec2000	\$0.45	Total Current Assets	\$1,079,244,000
Dec1999	\$0.35	Total Current Liabilities	\$989,092,000
Dec1998	\$0.28	Long-Term Debt	\$2,591,949,000
		Total Assets	\$6,331,689,000
		Intangible Assets	\$4,633,597,000
		Total Liabilities	\$4,090,696,000
		Shares Outstanding (Diluted Average)	185,301,000





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**

- [Total System Services Inc. Analysis – August 2015 Update \\$TSS](#)
- [Total System Services Inc. Quarterly Valuation – October 2014 \\$TSS](#)
- [Total System Services Inc. Valuation – November 2015 Update \\$TSS](#)
- [30 Companies in the Spotlight This Week – 5/23/15](#)
- [Total System Services Inc. Quarterly Valuation – May 2015 \\$TSS](#)

**Other ModernGraham posts about related companies**

- [Visa Inc Valuation – February 2018 \\$V](#)
- [Goldman Sachs Group Inc Valuation – February 2018 \\$GS](#)
- [American Express Co. Valuation – February 2018 \\$AXP](#)
- [Encore Capital Group Inc Valuation – Initial Coverage \\$ECPG](#)
- [T.Rowe Price Group Inc Valuation – July 2017 \\$TROW](#)
- [T.Rowe Price Group Inc Valuation – June 2017 \\$TROW](#)
- [Tricon Capital Group Inc Valuation – Initial Coverage \\$TSE:TCN](#)
- [Moody's Corporation Valuation – March 2017 \\$MCO](#)
- [KKR & Co Ltd Valuation – March 2017 \\$KKR](#)
- [Charles Schwab Corp Valuation – March 2017 \\$SCHW](#)