

ModernGraham Valuation

Company Name:

ANSYS, Inc.

Company Ticker ANSS

Date of Analysis

3/13/2018



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	\$14,235,345,520	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.09	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	112.24%	Pass
5. Earnings Growth	PEmg < 20	49.92	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	6.48	Fail
7. Moderate Price to Assets			

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	2.09	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		Fail
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.36
MG Growth Estimate	6.18%
MG Value	\$70.11
MG Value based on 3% Growth	\$48.73
MG Value based on 0% Growth	\$28.57
Market Implied Growth Rate	20.71%

MG Opinion

Current Price	\$167.75
% of Intrinsic Value	239.27%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$6.63
Graham Number	\$50.57
PEmg	49.92
Current Ratio	2.09
PB Ratio	6.48
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		Next Fiscal Year Estimate	
Dec2017	\$4.26	Dec2017	\$3.36
Dec2016	\$2.98	Dec2016	\$2.87
Dec2015	\$2.99	Dec2015	\$2.76
Dec2014	\$2.76	Dec2014	\$2.57
Dec2013	\$2.70	Dec2013	\$2.38
Dec2012	\$2.58	Dec2012	\$2.12
Dec2011	\$2.14	Dec2011	\$1.81
Dec2010	\$1.91	Dec2010	\$1.57
Dec2009	\$1.64	Dec2009	\$1.29
Dec2008	\$1.27	Dec2008	\$1.04
Dec2007	\$1.29	Dec2007	\$0.86
Dec2006	\$1.02	Dec2006	\$0.61
Dec2005	\$0.19	Dec2005	\$0.41
Dec2004	\$0.65	Dec2004	\$0.48
Dec2003	\$0.53	Dec2003	\$0.37
Dec2002	\$0.34	Dec2002	\$0.29
Dec2001	\$0.31	Dec2001	\$0.25
Dec2000	\$0.22	Balance Sheet Information	
Dec1999	\$0.25	12/1/2017	
Dec1998	\$0.22	Total Current Assets	\$1,270,266,000
	\$0.17	Total Current Liabilities	\$608,553,000
		Long-Term Debt	\$0
		Total Assets	\$2,941,623,000
		Intangible Assets	\$1,536,178,000
		Total Liabilities	\$695,792,000
		Shares Outstanding (Diluted Average)	86,710,000





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

- [Ansys Inc. Valuation – November 2015 Update \\$ANSS](#)
- [The Best Companies of the Software Industry – August 2015](#)
- [Ansys Inc. Analysis – Initial Coverage \\$ANSS](#)

Other ModernGraham posts about related companies

- [Citrix Systems Inc Valuation – February 2018 \\$CTXS](#)
- [Microsoft Corp Valuation – February 2018 \\$MSFT](#)
- [Cisco Systems Inc Valuation – February 2018 \\$CSCO](#)
- [Symantec Corp Valuation – August 2017 \\$SYMC](#)
- [Intuit Inc Valuation – March 2017 \\$INTU](#)
- [CommVault Systems Inc Valuation – Initial Coverage \\$CVLT](#)
- [Leidos Holdings Inc Valuation – Initial Coverage \\$LDOS](#)
- [Constellation Software Inc Valuation – Initial Coverage \\$TSE:CSU](#)
- [Adobe Systems Inc Valuation – February 2017 \\$ADBE](#)
- [Synopsys Inc Valuation – Initial Coverage \\$SNPS](#)