

# ModernGraham Valuation

Company Name:

CA, Inc.

Company Ticker

CA

Date of Analysis

3/22/2018



## 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	\$14,304,666,478	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.24	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	10.98%	Fail
5. Earnings Growth	PEmg < 20	20.92	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.48	Pass
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	1.24	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.42	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		Fail

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$1.64
MG Growth Estimate	-2.20%
<b>MG Value</b>	<b>\$6.74</b>
MG Value based on 3% Growth	\$23.78
MG Value based on 0% Growth	\$13.94
Market Implied Growth Rate	6.21%

### MG Opinion

Current Price	\$34.31
% of Intrinsic Value	509.37%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information for Further Research

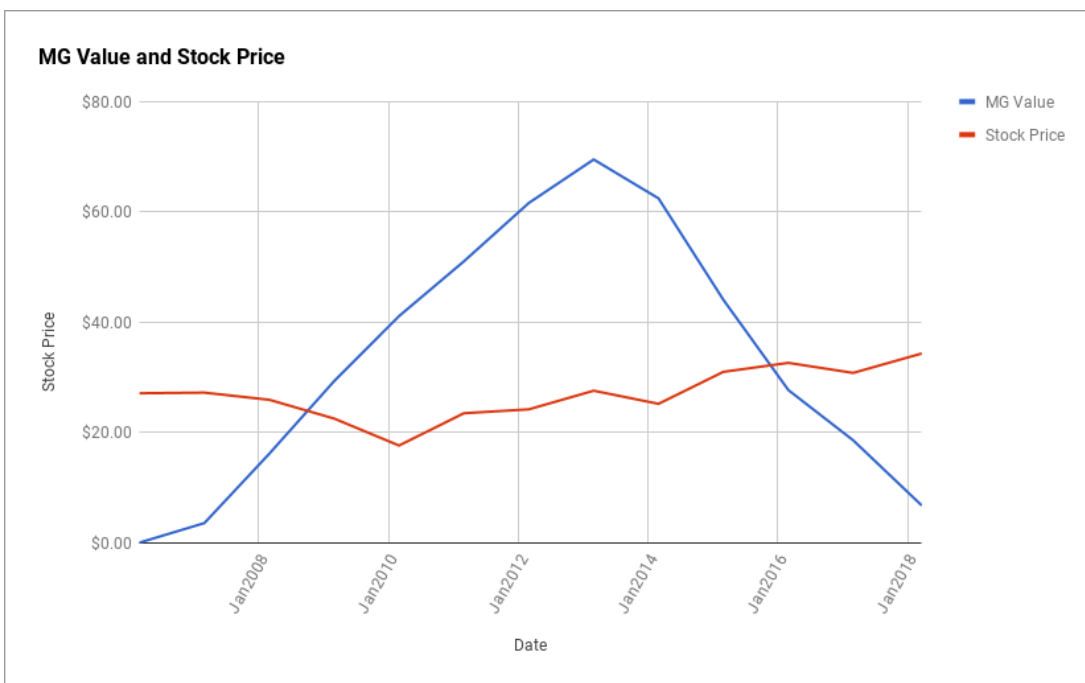
Net Current Asset Value (NCAV)	-\$7.23
Graham Number	\$19.20
PEmg	20.92
Current Ratio	1.24
PB Ratio	2.48
Current Dividend	\$1.02
Dividend Yield	2.97%
Number of Consecutive Years of Dividend Growth	1

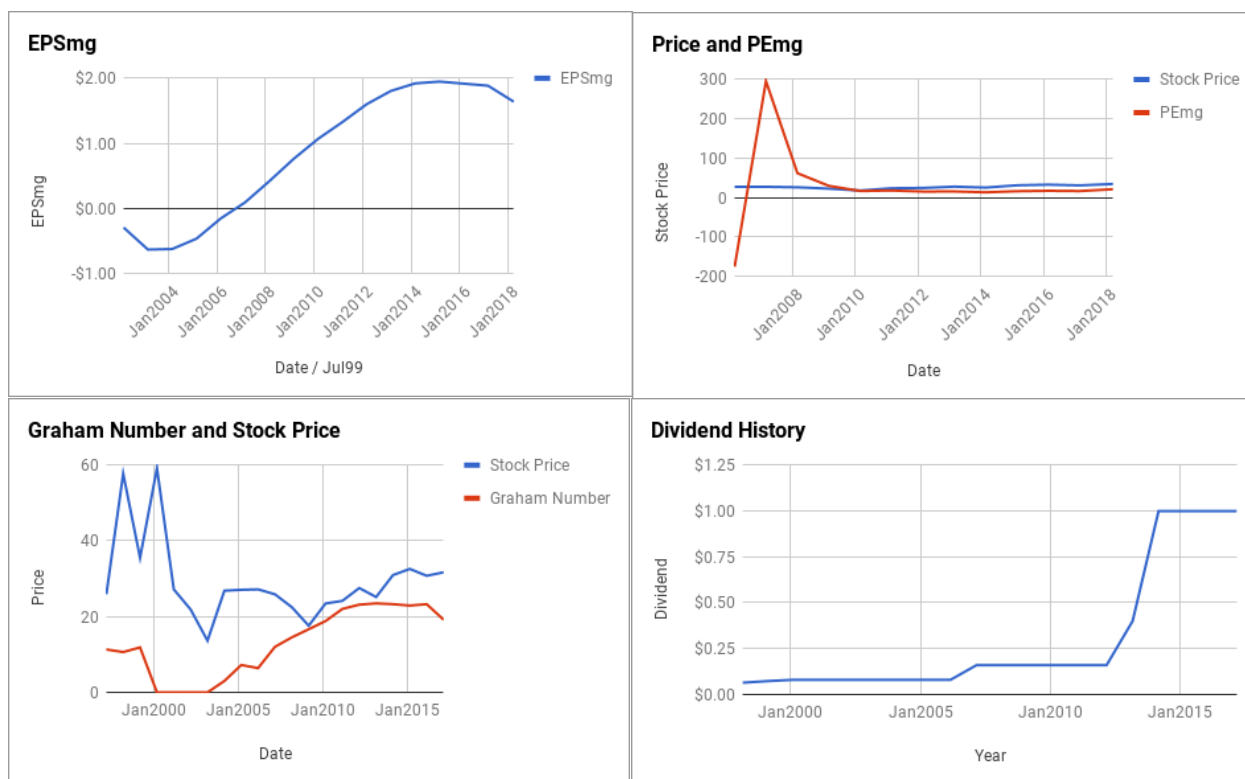
### Useful Links:

[ModernGraham tagged articles](#)  
[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)

[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Mar2017	\$1.19	Mar2017	\$1.64
Mar2016	\$1.85	Mar2016	\$1.89
Mar2015	\$1.81	Mar2015	\$1.92
Mar2014	\$1.90	Mar2014	\$1.95
Mar2013	\$2.02	Mar2013	\$1.92
Mar2012	\$2.06	Mar2012	\$1.81
Mar2011	\$1.93	Mar2011	\$1.60
Mar2010	\$1.61	Mar2010	\$1.33
Mar2009	\$1.47	Mar2009	\$1.07
Mar2008	\$1.29	Mar2008	\$0.76
Mar2007	\$0.93	Mar2007	\$0.42
Mar2006	\$0.22	Mar2006	\$0.09
Mar2005	\$0.27	Mar2005	-\$0.15
Mar2004	\$0.05	Mar2004	-\$0.47
Mar2003	-\$0.15	Mar2003	-\$0.62
Mar2002	-\$0.65	Mar2002	-\$0.63
Mar2001	-\$2.11	Mar2002	-\$0.29
Mar2000	-\$0.46	<b>Balance Sheet Information</b>	
Mar1999	\$1.23	<b>12/1/2017</b>	
Mar1998	\$1.11	Total Current Assets	\$3,826,000,000
	\$2.06	Total Current Liabilities	\$3,090,000,000
		Long-Term Debt	\$2,518,000,000
		Total Assets	\$12,533,000,000
		Intangible Assets	\$7,975,000,000
		Total Liabilities	\$6,810,000,000
		Shares Outstanding (Diluted Average)	413,000,000





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

[CA Inc Valuation – July 2016 \\$CA](#)

[18 Best Stocks For Value Investors This Week – 1/30/16](#)

[CA Inc Valuation – January 2016 Update \\$CA](#)

[10 Undervalued Companies for the Defensive Dividend Stock Investor – December 2015](#)

[10 Undervalued Companies for the Defensive Dividend Stock Investor – November 2015](#)

Other  
ModernGraham  
posts about related  
companies

[Red Hat Inc Valuation – March 2018 \\$RHT](#)

[Alphabet Inc Valuation – March 2018 \\$GOOGL](#)

[Ansys Inc Valuation – March 2018 \\$ANSS](#)

[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](#)