ModernGraham Valuation

Company Name:

Global Payments Inc



Company Ticker GPN

Date of Analysis 6/6/2018

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.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$18,870,576,479 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.06 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	
5. Earnings Growth	beginning and end	262.09% Pass
Moderate PEmg Ratio	PEmg < 20	36.21 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.56 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

 Sufficiently Strong Financial Condition 	Current Ratio > 1.5	1.06 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	16.78 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

94.05%

Score

Suitability

MG Opinion

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.26	
MG Growth Estimate	15.00%	
MG Value	\$125.43	
MG Value based on 3% Growth	\$47.24	
MG Value based on 0% Growth	\$27.69	
Market Implied Growth Rate	13.85%	
Current Price	\$117.97	

Opinion **Fairly Valued**

MG Grade

Stage 3: Information for Further Research

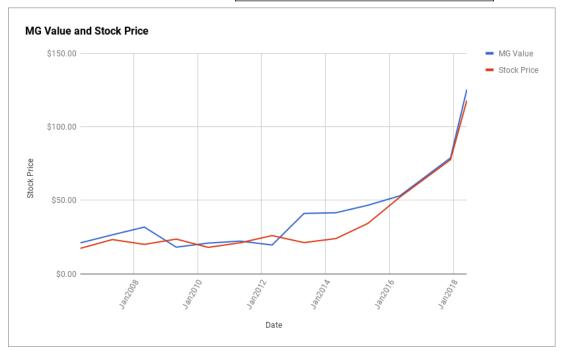
% of Intrinsic Value

Net Current Asset Value (NCAV)	-\$28.78
Graham Number	\$51.68
PEmg	36.21
Current Ratio	1.06
PB Ratio	4.56
Current Dividend	\$0.04
Dividend Yield	0.04%
Number of Consecutive Years of Dividend	
Growth	1

Useful Links: ModernGraham tagged articles

Morningstar Google Finance MSN Money Yahoo Finance Seeking Alpha <u>GuruFocus</u> **SEC Filings**

EPS History		EPSmg History	
Next Fiscal Year			
Estimate		Next Fiscal Year Estimate	\$3.26
Dec2017	\$3.01	Dec2017	\$2.28
May2016	\$2.04	May2016	\$1.83
May2015	\$2.06	May2015	\$1.66
May2014	\$1.69	May2014	\$1.42
May2013	\$1.38	May2013	\$1.22
May2012	\$1.19	May2012	\$1.09
May2011	\$1.30	May2011	\$1.00
May2010	\$1.24	May2010	\$0.84
May2009	\$0.23	May2009	\$0.66
May2008	\$1.01	May2008	\$0.83
May2007	\$0.88	May2007	\$0.69
May2006	\$0.77	May2006	\$0.55
May2005	\$0.58	May2005	\$0.40
May2004	\$0.40	May2004	\$0.29
May2003	\$0.35	May2003	\$0.20
May2002	\$0.16	May2002	\$0.11
May2001	\$0.21	Balance Sheet Information	3/1/2018
May2000	\$0.00	Total Current Assets	\$4,157,878,000
Dec1999	\$0.00	Total Current Liabilities	\$3,908,919,000
Dec1998	\$0.00	Long-Term Debt	\$4,176,851,000
		Total Assets	\$12,903,297,000
		Intangible Assets	\$7,811,206,000
		Total Liabilities	\$8,763,507,000
		Shares Outstanding (Diluted Average)	160,035,000





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 Global Payments Inc Valuation - Initial Coverage \$GPN

Other ModernGraham posts about related companies Robert Half International Inc Valuation – June 2018 \$RHI
Alliance Data Systems Corp Valuation – May 2018 \$ADS
Whirlpool Corporation Valuation – April 2018 \$WHR
IHS Markit Ltd Valuation – Initial Coverage April 2018 \$INFO
Automatic Data Processing Inc Valuation – April 2018 \$ADP
Accenture PLC Valuation – April 2018 \$ACN
Fisery Inc Valuation – April 2018 \$FISV
Iron Mountain Inc Valuation – April 2018 \$IRM
Cintas Corp Valuation – April 2018 \$CTAS

Xerox Corp Valuation - March 2018 \$XRX