

# 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.*

1. 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 beginning and end	262.09%	Pass
5. Earnings Growth	PEmg < 20	36.21	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.56	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	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 Score		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.26
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$125.43</b>
MG Value based on 3% Growth	\$47.24
MG Value based on 0% Growth	\$27.69
Market Implied Growth Rate	13.85%

### MG Opinion

Current Price	\$117.97
% of Intrinsic Value	94.05%
<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)	-\$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:

<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	\$4.98	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	<b>Balance Sheet Information 3/1/2018</b>	
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 [Global Payments Inc Valuation – Initial Coverage \\$GPN](#)

ModernGraham  
posts about the  
company

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