

# ModernGraham Valuation

Company Name:

Infosys Ltd ADR

Company Ticker INFY

Date of Analysis

6/30/2018



## 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	\$2,843,573,514,131	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.55	Pass
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	53.03%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	19.63	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.24	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	3.55	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		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.99
MG Growth Estimate	3.72%
<b>MG Value</b>	<b>\$15.78</b>
MG Value based on 3% Growth	\$14.36
MG Value based on 0% Growth	\$8.42
Market Implied Growth Rate	5.56%

### MG Opinion

Current Price	\$19.43
% of Intrinsic Value	123.15%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>B-</b>

## Stage 3: Information for Further Research

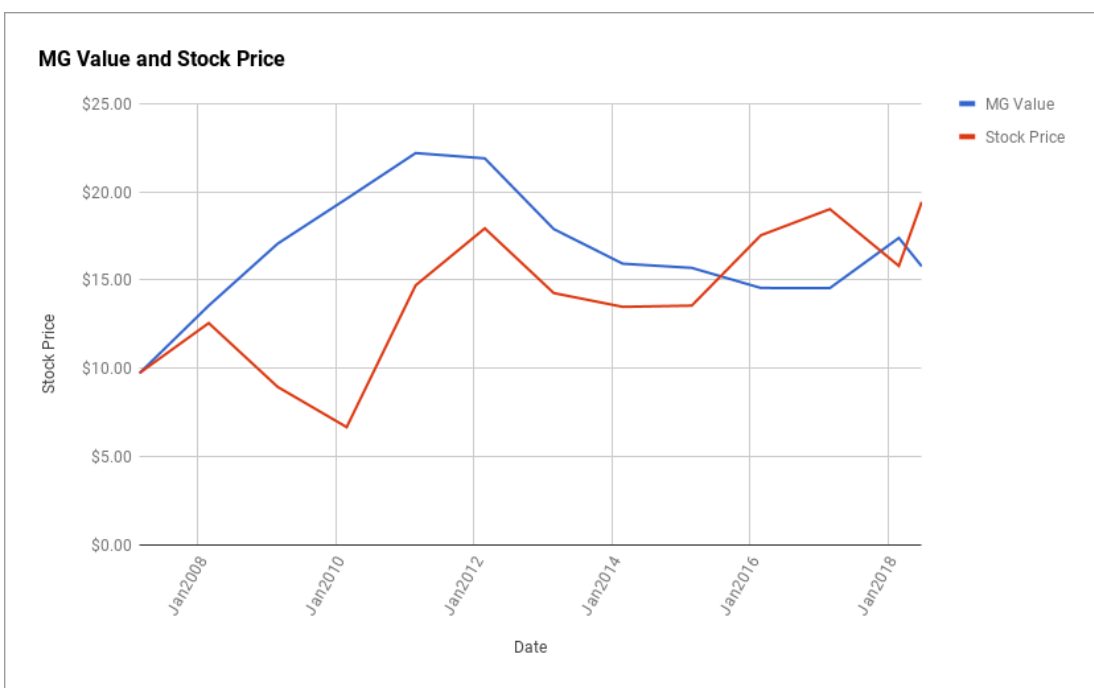
Net Current Asset Value (NCAV)	\$2.47
Graham Number	\$10.10
PEmg	19.63
Current Ratio	3.55
PB Ratio	4.24
Current Dividend	\$0.43
Dividend Yield	2.22%
Number of Consecutive Years of Dividend Growth	1

### 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	\$0.99	Next Fiscal Year Estimate	\$0.99
Mar2018	\$1.10	Mar2018	\$0.97
Mar2017	\$0.94	Mar2017	\$0.88
Mar2016	\$0.90	Mar2016	\$0.84
Mar2015	\$0.88	Mar2015	\$0.79
Mar2014	\$0.77	Mar2014	\$0.73
Mar2013	\$0.76	Mar2013	\$0.70
Mar2012	\$0.75	Mar2012	\$0.65
Mar2011	\$0.66	Mar2011	\$0.58
Mar2010	\$0.58	Mar2010	\$0.51
Mar2009	\$0.56	Mar2009	\$0.44
Mar2008	\$0.51	Mar2008	\$0.35
Mar2007	\$0.38	Mar2007	\$0.25
Mar2006	\$0.25	Mar2006	\$0.18
Mar2005	\$0.19	Mar2005	\$0.13
Mar2004	\$0.13	Mar2004	\$0.09
Mar2003	\$0.09	Mar2003	\$0.07
Mar2002	\$0.08	<b>Balance Sheet Information 3/1/2018</b>	
Mar2001	\$0.06	Total Current Assets	\$7,673,000,000
Mar2000	\$0.03	Total Current Liabilities	\$2,164,000,000
Mar1999	\$0.01	Long-Term Debt	\$0
		Total Assets	\$12,255,000,000
		Intangible Assets	\$377,000,000
		Total Liabilities	\$2,295,000,000
		Shares Outstanding (Diluted Average)	2,174,809,000





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**

- [Infosys Ltd Valuation – July 2016 \\$INFY](#)
- [Infosys Ltd Valuation – January 2016 Update \\$INFY](#)
- [Infosys Limited Analysis – October 2015 Update \\$INFY](#)
- [The 8 Best Stocks For Value Investors This Week – 6/27/15](#)
- [Infosys Analysis – June 2015 Update \\$INFY](#)

**Other ModernGraham posts about related companies**

- [Verisign Inc Valuation – May 2018 \\$VRSN](#)
- [Motorola Solutions Inc Valuation – May 2018 \\$MSI](#)
- [Leidos Holdings Inc Valuation – April 2018 \\$LDOS](#)
- [Gartner Inc Valuation – March 2018 \\$IT](#)
- [Cognizant Technology Solutions Corp – March 2018 \\$CTSH](#)
- [International Business Machines Corp Valuation – February 2018 \\$IBM](#)
- [Viavi Solutions Inc Valuation – Initial Coverage \\$VIAV](#)
- [Equinix Inc Valuation – July 2017 \\$EQIX](#)
- [Liquidity Services Inc Valuation – Initial Coverage \\$LQDT](#)
- [LivePerson Inc Valuation – Initial Coverage \\$LPSN](#)