

ModernGraham Valuation

Company Name:

ACI Worldwide Inc

Company Ticker ACIW

Date of Analysis

7/1/2018



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	\$2,823,315,998	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.55	Fail
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	95.80%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	42.78	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.91	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	1.55	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.42	Fail
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		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.58
MG Growth Estimate	2.51%
MG Value	\$7.79
MG Value based on 3% Growth	\$8.36
MG Value based on 0% Growth	\$4.90
Market Implied Growth Rate	17.14%

MG Opinion

Current Price	\$24.67
% of Intrinsic Value	316.53%
Opinion	Overvalued
MG Grade	D

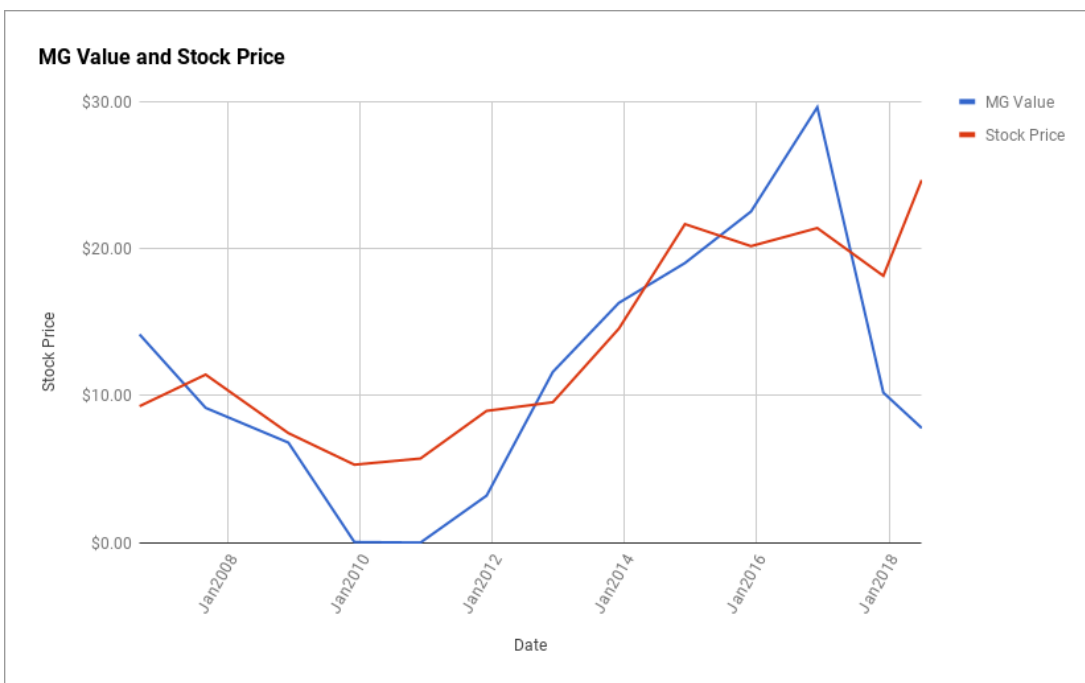
Stage 3: Information for Further Research

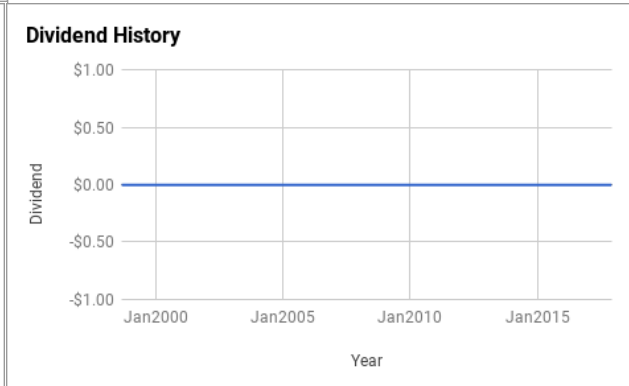
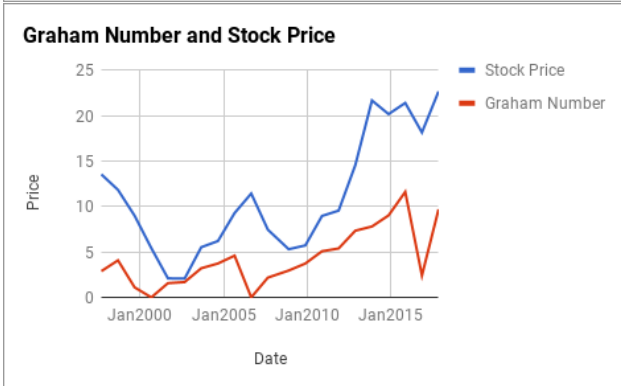
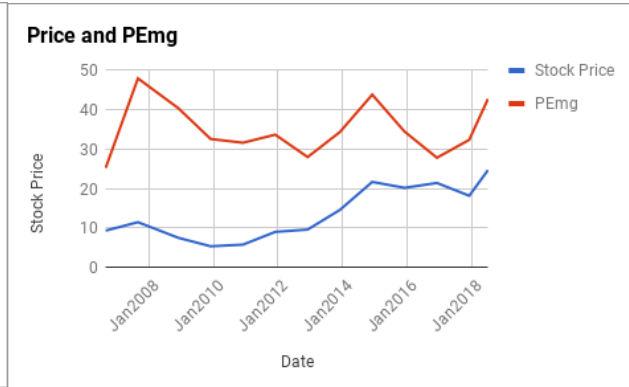
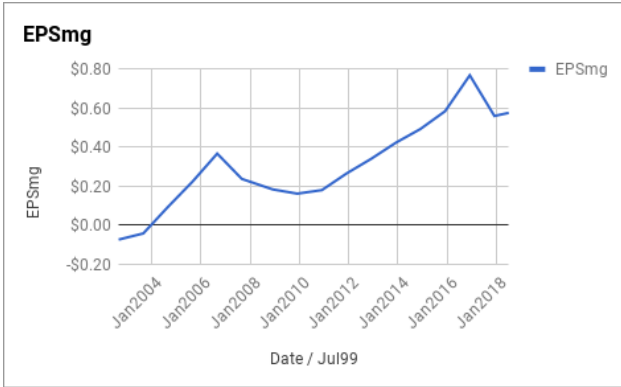
Net Current Asset Value (NCAV)	-\$5.33
Graham Number	\$9.70
PEmg	42.78
Current Ratio	1.55
PB Ratio	2.91
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$0.64	Next Fiscal Year Estimate	\$0.58
Dec2017	\$0.04	Dec2017	\$0.56
Dec2016	\$1.09	Dec2016	\$0.77
Dec2015	\$0.72	Dec2015	\$0.59
Dec2014	\$0.58	Dec2014	\$0.49
Dec2013	\$0.53	Dec2013	\$0.42
Dec2012	\$0.41	Dec2012	\$0.34
Dec2011	\$0.45	Dec2011	\$0.27
Dec2010	\$0.27	Dec2010	\$0.18
Dec2009	\$0.19	Dec2009	\$0.16
Dec2008	\$0.10	Dec2008	\$0.18
Sep2007	-\$0.08	Sep2007	\$0.24
Sep2006	\$0.48	Sep2006	\$0.37
Sep2005	\$0.37	Sep2005	\$0.22
Sep2004	\$0.40	Sep2004	\$0.09
Sep2003	\$0.13	Sep2003	-\$0.04
Sep2002	\$0.14	Sep2002	-\$0.07
Sep2001	-\$0.78	Balance Sheet Information	
Sep2000	\$0.02	3/1/2018	
Sep1999	\$0.46	Total Current Assets	\$419,294,000
Sep1998	\$0.34	Total Current Liabilities	\$270,337,000
		Long-Term Debt	\$658,861,000
		Total Assets	\$2,015,169,000
		Intangible Assets	\$1,249,032,000
		Total Liabilities	\$1,036,147,000
		Shares Outstanding (Diluted Average)	115,642,000





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 [ACI Worldwide Inc Valuation – November 2016 \\$ACIW](#)
[ACI Worldwide Inc. Analysis – Initial Coverage \\$ACIW](#)

Other ModernGraham posts about related companies [Akamai Technologies Inc Valuation – May 2018 \\$AKAM](#)
[Symantec Corp Valuation – April 2018 \\$SYMC](#)
[Intuit Inc Valuation – April 2018 \\$INTU](#)
[CommVault Systems Inc Valuation – April 2018 \\$CVLT](#)
[Constellation Software Inc Valuation – April 2018 \\$TSE-CSU](#)
[Adobe Systems Inc Valuation – April 2018 \\$ADBE](#)
[Synopsys Inc Valuation – April 2018 \\$SNPS](#)
[Autodesk Inc Valuation – April 2018 \\$ADSK](#)
[F5 Networks Inc Valuation – April 2018 \\$FFIV](#)
[Cadence Design Systems Inc Valuation – Initial Coverage \\$CDNS](#)