

ModernGraham Valuation

Computer Programs
& Systems, Inc.



Company Name:

Company Ticker CPSI

Date of Analysis

8/11/2018

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	\$374,978,090	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.69	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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		
5. Earnings Growth		-101.65%	Fail
6. Moderate PEmg Ratio	PEmg < 20	61.80	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.49	Pass

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	1.69	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.96	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.43
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$6.21
MG Value based on 0% Growth	\$3.64
Market Implied Growth Rate	26.65%

MG Opinion

Current Price	\$26.45
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

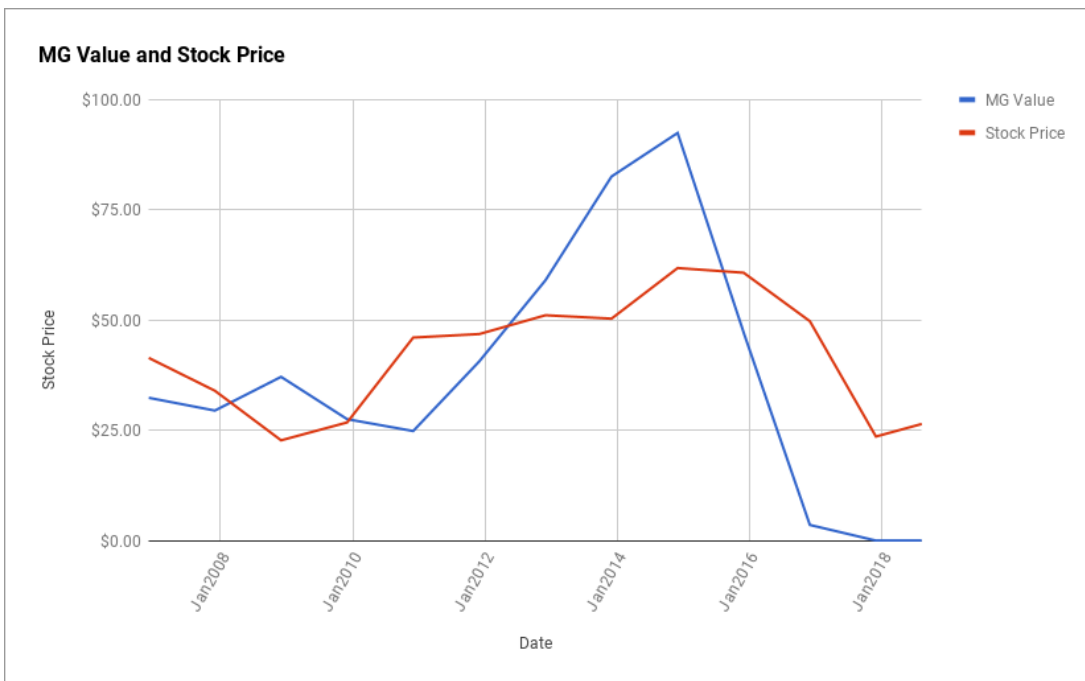
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$8.33
Graham Number	\$14.07
PEmg	61.80
Current Ratio	1.69
PB Ratio	2.49
Current Dividend	\$0.85
Dividend Yield	3.21%
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	\$0.89	Next Fiscal Year Estimate	\$0.43
Dec2017	-\$1.27	Dec2017	\$0.57
Dec2016	\$0.29	Dec2016	\$1.69
Dec2015	\$1.62	Dec2015	\$2.43
Dec2014	\$2.94	Dec2014	\$2.73
Dec2013	\$2.95	Dec2013	\$2.49
Dec2012	\$2.71	Dec2012	\$2.15
Dec2011	\$2.34	Dec2011	\$1.78
Dec2010	\$1.71	Dec2010	\$1.48
Dec2009	\$1.39	Dec2009	\$1.37
Dec2008	\$1.42	Dec2008	\$1.32
Dec2007	\$1.20	Dec2007	\$1.21
Dec2006	\$1.48	Dec2006	\$1.16
Dec2005	\$1.37	Dec2005	\$0.99
Dec2004	\$0.67	Dec2004	\$0.79
Dec2003	\$0.75	Dec2003	\$0.79
Dec2002	\$1.06	Dec2002	\$0.71
Dec2001	\$0.93	Balance Sheet Information 6/1/2018	
Dec2000	\$0.53	Total Current Assets	\$65,663,000
Dec1999	\$0.00	Total Current Liabilities	\$38,806,000
Dec1998	\$0.00	Long-Term Debt	\$133,151,000
		Total Assets	\$322,844,000
		Intangible Assets	\$231,959,000
		Total Liabilities	\$178,603,000
		Shares Outstanding (Diluted Average)	13,561,000





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 [Computer Programs & Systems Inc Valuation – Initial Coverage \\$CPSI](#)

Other ModernGraham posts about related companies [Science Applications International Corp Valuation – July 2018 \\$SAIC](#)
[Acxiom Corp Valuation – July 2018 \\$ACXM](#)
[Infosys Ltd Valuation – June 2018 \\$INFY](#)
[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](#)