

ModernGraham Valuation

Company Name:

DXC Technology Co

Company Ticker DXC

Date of Analysis

11/11/2018



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	\$17,370,000,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.04	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	118.54%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	14.24	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.50	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	1.04	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	17.97	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		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$4.35
MG Growth Estimate	11.74%
MG Value	\$139.17
MG Value based on 3% Growth	\$63.11
MG Value based on 0% Growth	\$37.00
Market Implied Growth Rate	2.87%

MG Opinion

Current Price	\$62.00
% of Intrinsic Value	44.55%
Opinion	Undervalued
MG Grade	C+

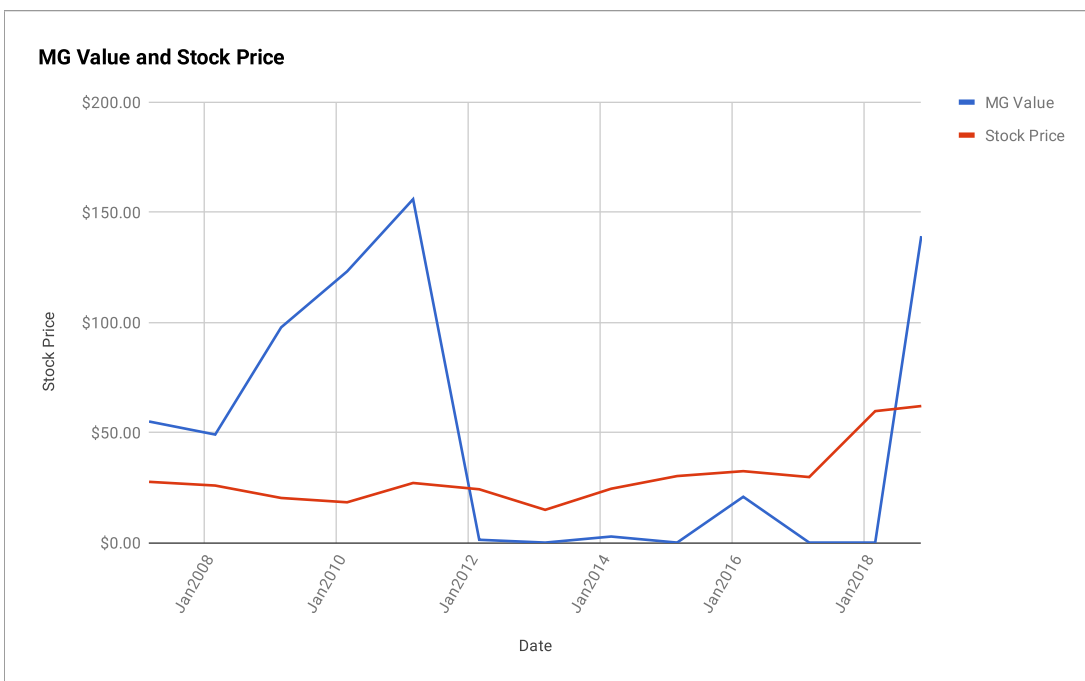
Stage 3: Information for Further Research

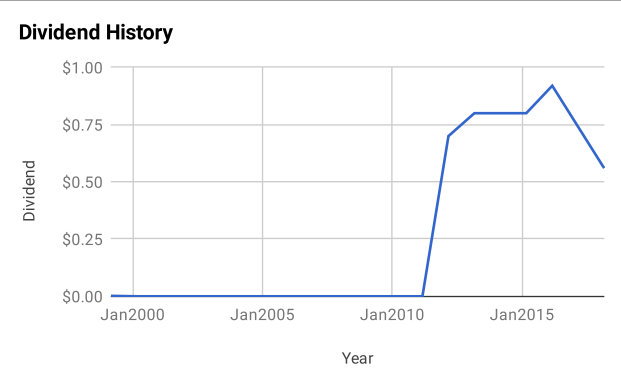
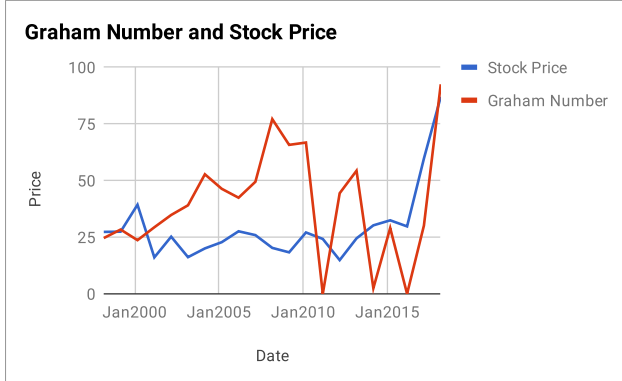
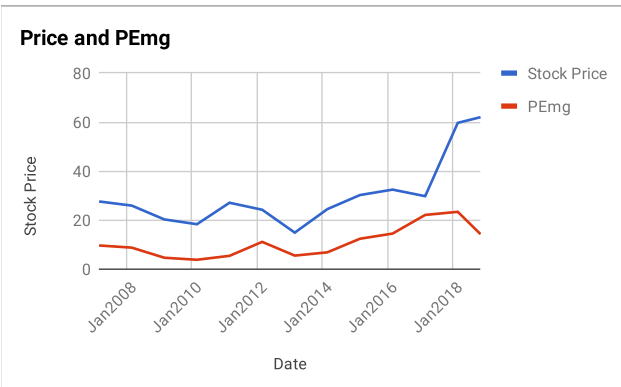
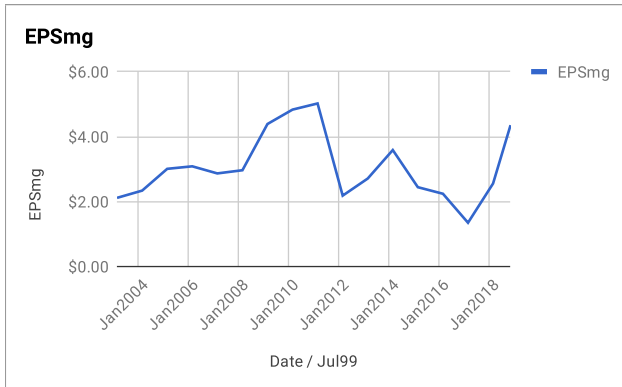
Net Current Asset Value (NCAV)	-\$28.80
Graham Number	\$92.46
PEmg	14.24
Current Ratio	1.04
PB Ratio	1.50
Current Dividend	\$0.72
Dividend Yield	1.16%
Number of Consecutive Years of Dividend Growth	1

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	\$8.04	Next Fiscal Year Estimate	\$4.35
Mar2018	\$6.04	Mar2018	\$2.55
Mar2017	-\$0.88	Mar2017	\$1.35
Mar2016	\$1.78	Mar2016	\$2.24
Mar2015	\$0.01	Mar2015	\$2.44
Mar2014	\$6.28	Mar2014	\$3.59
Mar2013	\$4.89	Mar2013	\$2.71
Mar2012	-\$3.97	Mar2012	\$2.18
Mar2011	\$4.73	Mar2011	\$5.02
Mar2010	\$5.28	Mar2010	\$4.83
Mar2009	\$7.31	Mar2009	\$4.39
Mar2008	\$3.20	Mar2008	\$2.96
Mar2007	\$2.21	Mar2007	\$2.87
Mar2006	\$2.81	Mar2006	\$3.08
Mar2005	\$4.22	Mar2005	\$3.01
Mar2004	\$2.75	Mar2004	\$2.34
Mar2003	\$2.54	Mar2003	\$2.11
Mar2002	\$2.01	Balance Sheet Information 9/1/2018	
Mar2001	\$1.37	Total Current Assets	\$8,815,000,000
Mar2000	\$2.37	Total Current Liabilities	\$8,514,000,000
Mar1999	\$2.11	Long-Term Debt	\$5,409,000,000
		Total Assets	\$28,882,000,000
		Intangible Assets	\$14,019,000,000
		Total Liabilities	\$17,045,000,000
		Shares Outstanding (Diluted Average)	285,780,000





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 #N/A

- Other ModernGraham posts about related companies
- [Sykes Enterprises Inc Valuation – October 2018 \\$SYKE](#)
 - [Computer Programs and Systems Inc Valuation – August 2018 \\$CPSI](#)
 - [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](#)