

ModernGraham Valuation

Company Name:

Total System
Services, Inc.



Company Ticker

TSS

Date of Analysis

12/5/2018

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	\$16,044,737,508	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.57	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	157.28%	Pass
5. Earnings Growth	PEmg < 20	31.74	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.98	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	2.57	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.24	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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.71
MG Growth Estimate	14.10%
MG Value	\$99.33
MG Value based on 3% Growth	\$39.24
MG Value based on 0% Growth	\$23.00
Market Implied Growth Rate	11.62%

MG Opinion

Current Price	\$85.89
% of Intrinsic Value	86.47%
Opinion	Fairly Valued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$19.76
Graham Number	\$30.87
PEmg	31.74
Current Ratio	2.57
PB Ratio	5.98
Current Dividend	\$0.46
Dividend Yield	0.54%
Number of Consecutive Years of Dividend Growth	1

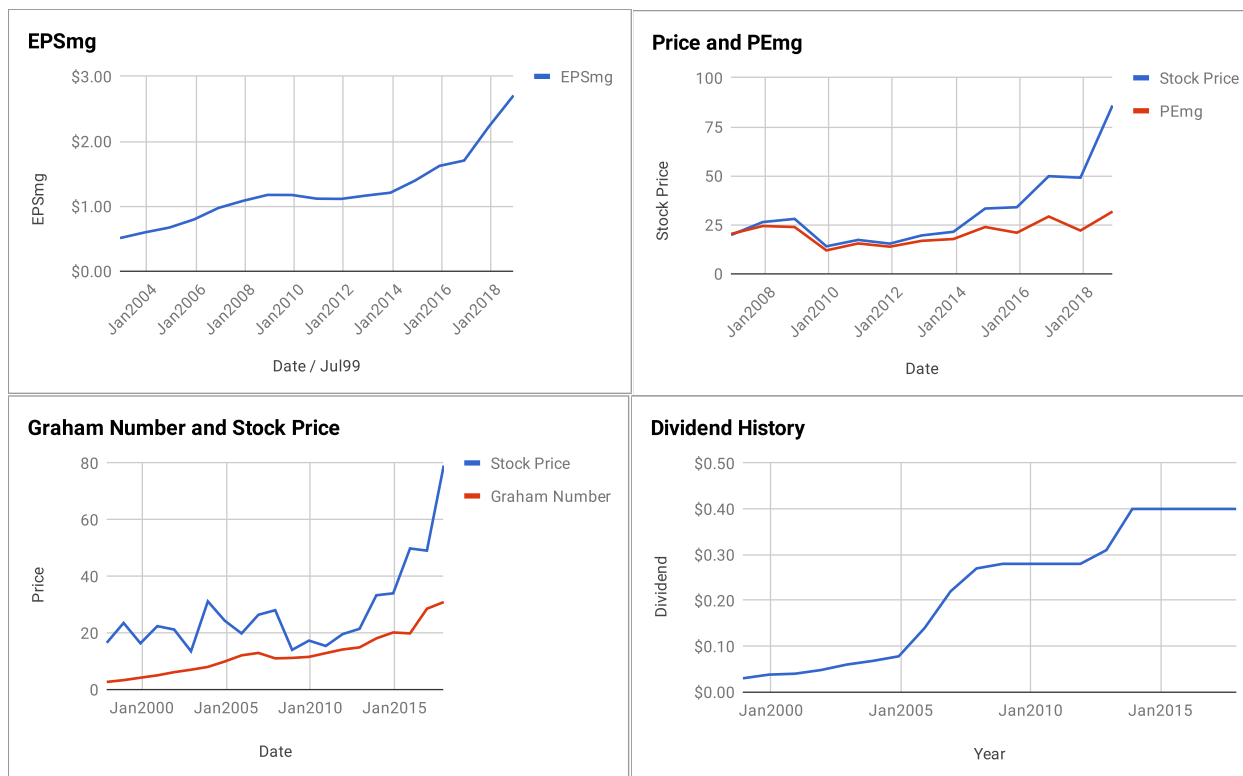
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.42	Next Fiscal Year Estimate	\$2.71
Dec2017	\$3.16	Dec2017	\$2.22
Dec2016	\$1.73	Dec2016	\$1.70
Dec2015	\$1.97	Dec2015	\$1.62
Dec2014	\$1.72	Dec2014	\$1.39
Dec2013	\$1.29	Dec2013	\$1.21
Dec2012	\$1.29	Dec2012	\$1.16
Dec2011	\$1.15	Dec2011	\$1.11
Dec2010	\$0.99	Dec2010	\$1.12
Dec2009	\$1.09	Dec2009	\$1.17
Dec2008	\$1.26	Dec2008	\$1.17
Dec2007	\$1.20	Dec2007	\$1.08
Dec2006	\$1.26	Dec2006	\$0.97
Dec2005	\$0.99	Dec2005	\$0.80
Dec2004	\$0.76	Dec2004	\$0.67
Dec2003	\$0.71	Dec2003	\$0.60
Dec2002	\$0.64	Dec2002	\$0.51
Dec2001	\$0.53	Balance Sheet Information 9/1/2018	
Dec2000	\$0.45	Total Current Assets	\$1,199,917,000
Dec1999	\$0.35	Total Current Liabilities	\$467,171,000
Dec1998	\$0.28	Long-Term Debt	\$3,837,659,000
		Total Assets	\$7,473,044,000
		Intangible Assets	\$5,410,100,000
		Total Liabilities	\$4,832,862,000
		Shares Outstanding (Diluted Average)	183,846,000





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.

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