

ModernGraham Valuation

Company Name:

Accenture Plc

Company Ticker ACN

Date of Analysis

2/15/2019



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	\$100,997,389,428	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.33	Fail
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	90.80%	Pass
5. Earnings Growth	PEmg < 20	25.07	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	7.91	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	1.33	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.01	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$6.32
MG Growth Estimate	5.99%
MG Value	\$129.42
MG Value based on 3% Growth	\$91.63
MG Value based on 0% Growth	\$53.71
Market Implied Growth Rate	8.29%

MG Opinion

Current Price	\$158.43
% of Intrinsic Value	122.42%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$0.17
Graham Number	\$50.84
PEmg	25.07
Current Ratio	1.33
PB Ratio	7.91
Current Dividend	\$2.66
Dividend Yield	1.68%
Number of Consecutive Years of Dividend Growth	7

Useful Links:

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Google Finance	MSN Money
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GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.09	Next Fiscal Year Estimate	\$6.32
Aug2018	\$6.34	Aug2018	\$5.79
Aug2017	\$5.44	Aug2017	\$5.42
Aug2016	\$6.45	Aug2016	\$5.24
Aug2015	\$4.76	Aug2015	\$4.52
Aug2014	\$4.52	Aug2014	\$4.22
Aug2013	\$4.93	Aug2013	\$3.86
Aug2012	\$3.84	Aug2012	\$3.22
Aug2011	\$3.39	Aug2011	\$2.81
Aug2010	\$2.66	Aug2010	\$2.44
Aug2009	\$2.44	Aug2009	\$2.23
Aug2008	\$2.65	Aug2008	\$2.02
Aug2007	\$1.97	Aug2007	\$1.63
Aug2006	\$1.59	Aug2006	\$1.37
Aug2005	\$1.56	Aug2005	\$1.21
Aug2004	\$1.22	Aug2004	\$0.95
Aug2003	\$1.05	Aug2003	\$0.73
Aug2002	\$0.56	Balance Sheet Information 11/1/2018	
Aug2001	\$1.13	Total Current Assets	\$13,540,408,000
Dec2000	\$0.00	Total Current Liabilities	\$10,176,335,000
Dec1999	\$0.00	Long-Term Debt	\$19,896,000
		Total Assets	\$26,706,412,000
		Intangible Assets	\$6,219,615,000
		Total Liabilities	\$13,650,844,000
		Shares Outstanding (Diluted Average)	652,151,000





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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