

# ModernGraham Valuation

Company Name:

Global Payments Inc

Company Ticker GPN

Date of Analysis

3/19/2019



## 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	\$21,379,204,385	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.03	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	214.90%	Pass
5. Earnings Growth	PEmg < 20	36.34	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	5.14	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	1.03	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	46.61	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.73
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$143.55</b>
MG Value based on 3% Growth	\$54.07
MG Value based on 0% Growth	\$31.69
Market Implied Growth Rate	13.92%

### MG Opinion

Current Price	\$135.50
% of Intrinsic Value	94.39%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>D</b>

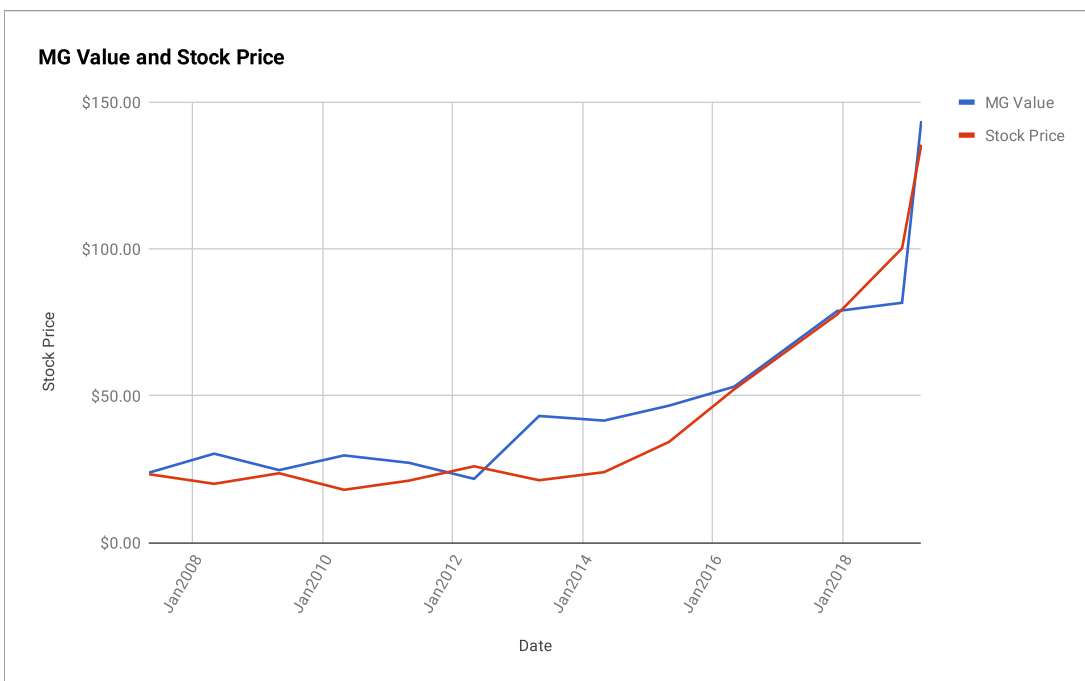
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$35.72
Graham Number	\$57.82
PEmg	36.34
Current Ratio	1.03
PB Ratio	5.14
Current Dividend	\$0.04
Dividend Yield	0.03%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$5.88		\$3.73
Dec2018	\$2.84	Dec2018	\$2.54
Dec2017	\$3.01	Dec2017	\$2.28
May2016	\$2.04	May2016	\$1.83
May2015	\$2.06	May2015	\$1.66
May2014	\$1.69	May2014	\$1.42
May2013	\$1.38	May2013	\$1.22
May2012	\$1.19	May2012	\$1.09
May2011	\$1.30	May2011	\$1.00
May2010	\$1.24	May2010	\$0.84
May2009	\$0.23	May2009	\$0.64
May2008	\$1.01	May2008	\$0.79
May2007	\$0.88	May2007	\$0.62
May2006	\$0.77	May2006	\$0.45
May2005	\$0.29	May2005	\$0.27
May2004	\$0.40	May2004	\$0.24
May2003	\$0.18	May2003	\$0.14
May2002	\$0.16	<b>Balance Sheet Information</b>	
May2001	\$0.21	<b>12/1/2018</b>	
May2000	\$0.00	Total Current Assets	\$3,376,208,000
Dec1999	\$0.00	Total Current Liabilities	\$3,268,620,000
		Long-Term Debt	\$5,015,168,000
		Total Assets	\$13,230,774,000
		Intangible Assets	\$8,829,973,000
		Total Liabilities	\$9,044,431,000
		Shares Outstanding (Diluted Average)	158,707,000





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

- [Global Payments Inc Valuation – June 2018 \\$GPN](#)
- [Global Payments Inc Valuation – Initial Coverage \\$GPN](#)

Other ModernGraham posts about related companies

- [Alliance Data Systems Corp Valuation – March 2019 #ADS](#)
- [IHS Markit Ltd Valuation – February 2019 \\$INFO](#)
- [Automatic Data Processing Inc Valuation – February 2019 \\$ADP](#)
- [Fiserv Inc Valuation – February 2019 \\$FISV](#)
- [Rollins Inc Valuation – February 2019 \\$ROL](#)
- [Iron Mountain Inc Valuation – February 2019 \\$IRM](#)
- [Cintas Corp Valuation – February 2019 \\$CTAS](#)
- [Fidelity National Information Services Inc Valuation – January 2019 \\$FIS](#)
- [Avery Dennison Corp Valuation – January 2019 \\$AVY](#)
- [Paychex Inc Valuation – January 2019 \\$PAYX](#)