

ModernGraham Valuation

Company Name:

DXC Technology Co

Company Ticker DXC

Date of Analysis

4/7/2019



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	\$17,558,336,131	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.00	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	76.32%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	18.69	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.61	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	1.00	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-533,800,000.00	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	\$3.50
MG Growth Estimate	6.52%
MG Value	\$75.41
MG Value based on 3% Growth	\$50.79
MG Value based on 0% Growth	\$29.77
Market Implied Growth Rate	5.09%

MG Opinion

Current Price	\$65.45
% of Intrinsic Value	86.79%
Opinion	Fairly Valued
MG Grade	C

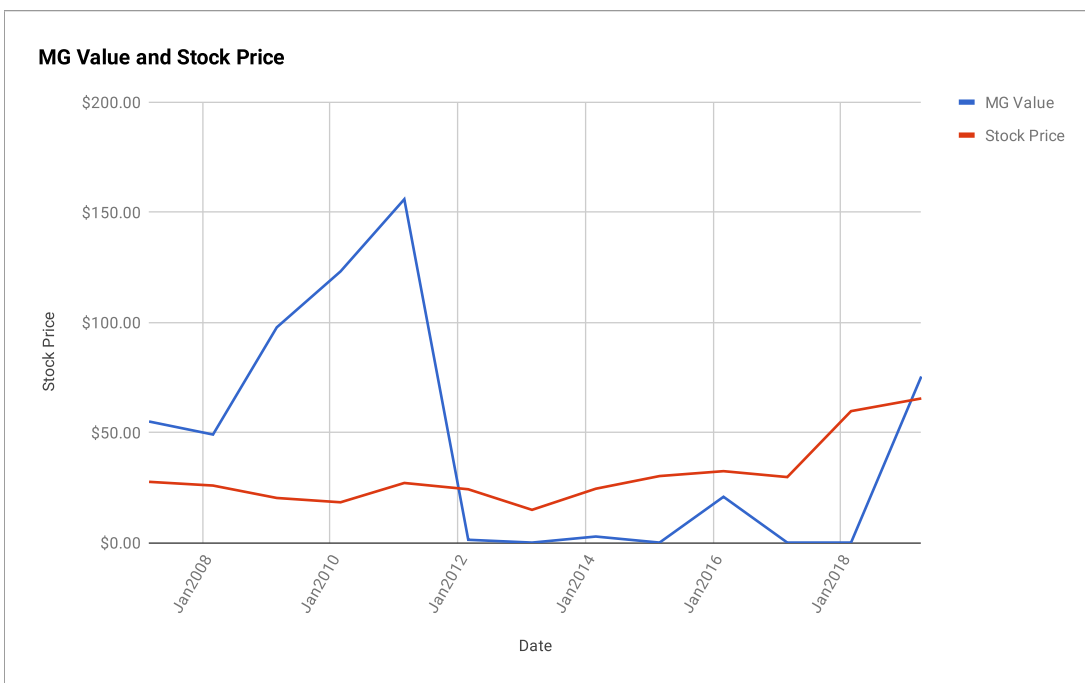
Stage 3: Information for Further Research

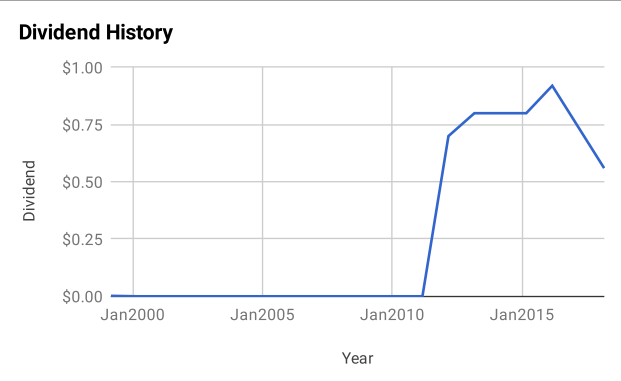
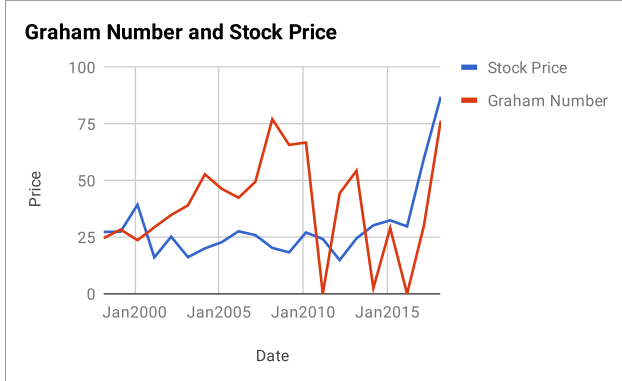
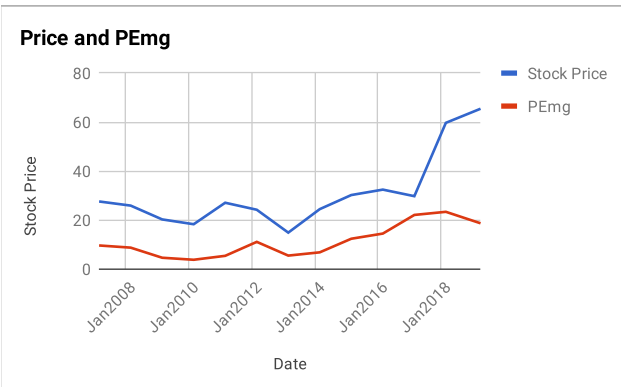
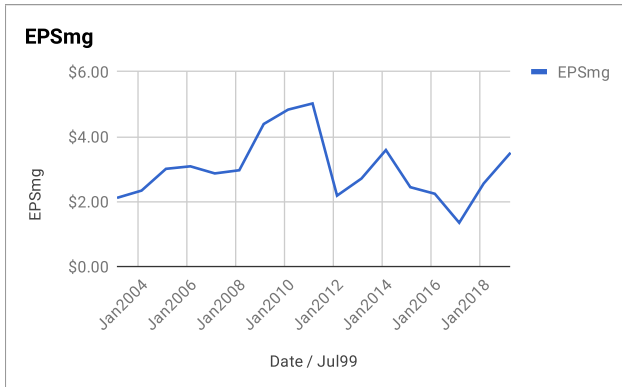
Net Current Asset Value (NCAV)	-\$32.23
Graham Number	\$76.41
PEmg	18.69
Current Ratio	1.00
PB Ratio	1.61
Current Dividend	\$0.72
Dividend Yield	1.10%
Number of Consecutive Years of Dividend Growth	1

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	\$5.49	Next Fiscal Year Estimate	\$3.50
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 12/1/2018	
Mar2001	\$1.37	Total Current Assets	\$8,522,000,000
Mar2000	\$2.37	Total Current Liabilities	\$8,522,000,010
Mar1999	\$2.11	Long-Term Debt	\$5,338,000,000
		Total Assets	\$28,871,000,000
		Intangible Assets	\$14,363,000,000
		Total Liabilities	\$17,515,000,000
		Shares Outstanding (Diluted Average)	278,990,000





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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[International Business Machines Corp Valuation – November 2018 \\$IBM](#)
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