

ModernGraham Valuation

Company Name:

State Street Corp

Company Ticker STT

Date of Analysis

8/22/2015



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass all 6 of the following tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	Pass
2. Earnings Stability	Positive EPS for 10 years prior	Fail
3. Dividend Record	Dividend Payments for 10 years prior	Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Fail
5. Moderate PEmg Ratio	PEmg < 20	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	Pass

Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.

1. Earnings Stability	Positive EPS for 5 years prior	Pass
2. Dividend Record	Currently Pays Dividend	Pass
3. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	3.57
MG Growth Estimate	11.41%
MG Value	\$111.79
MG Value based on 3% Growth	\$51.75
MG Value based on 0% Growth	\$30.33
Market Implied Growth Rate	6.10%

MG Opinion

Current Price	\$73.88
% of Intrinsic Value	66.09%
Opinion	Undervalued

Stage 3: Information for Further Research

PEmg	20.70
PB Ratio	1.43
Dividend Yield	1.68%
Number of Consecutive Years of Dividend Growth	5

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	\$1.84	Next Fiscal Year Estimate	\$3.57
Dec14	\$4.57	Dec14	\$4.31
Dec13	\$4.62	Dec13	\$3.54
Dec12	\$4.20	Dec12	\$2.74
Dec11	\$3.79	Dec11	\$2.03
Dec10	\$3.09	Dec10	\$1.42
Dec09	-\$4.32	Dec09	\$1.00
Dec08	\$4.30	Dec08	\$3.50
Dec07	\$3.45	Dec07	\$2.98
Dec06	\$3.29	Dec06	\$2.73
Dec05	\$2.50	Dec05	\$2.43
Dec04	\$2.35	Dec04	\$2.35
Dec03	\$2.15	Dec03	\$2.29
Dec02	\$3.10	Dec02	\$2.24
Dec01	\$1.90	Dec01	\$1.75
Dec00	\$1.82	Dec00	\$1.59
Dec99	\$1.89	Dec99	\$1.38
Dec98	\$1.33	Balance Sheet Information Jun15	
Dec97	\$1.16	Long-Term Debt	\$9,085,000,000
Dec96	\$0.89	Total Assets	\$294,571,000,000
Dec95	\$0.74	Intangible Assets	\$7,600,000,000
		Total Liabilities	\$273,071,000,000
		Shares Outstanding (Diluted Average)	416,712,000



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:

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company**

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[State Street Corporation Quarterly Valuation – May 2015 \\$STT](#)
[28 Companies in the Spotlight This Week – 2/28/15](#)
[State Street Corporation Quarterly Valuation – February 2015 \\$STT](#)

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[Starwood Property Trust Inc. Analysis – Initial Coverage \\$STWD](#)
[Fifth Third Bancorp Analysis – July 2015 Update \\$FITB](#)
[Huntington Bancshares Analysis – June 2015 Update \\$HBAN](#)
[JPMorgan Chase Analysis – June 2015 Update \\$JPM](#)
[Wells Fargo Stock Analysis – May 2015 Quarterly Update \\$WFC](#)
[M&T Bank Corporation Quarterly Valuation – May 2015 \\$MTB](#)