

ModernGraham Valuation

Company Name:

Company Ticker NTRS
Date of Analysis

Northern Trust
Corporation

7/28/2016



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	\$15,546,618,082	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
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	16.41%	Fail
5. Moderate PEmg Ratio	PEmg < 20	18.22	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.73	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	3.72
MG Growth Estimate	4.94%
MG Value	\$68.35
MG Value based on 3% Growth	\$53.90
MG Value based on 0% Growth	\$31.60
Market Implied Growth Rate	4.86%

MG Opinion

Current Price	\$67.74
% of Intrinsic Value	99.11%
Opinion	Fairly Valued
MG Grade	C+

Stage 3: Information for Further Research

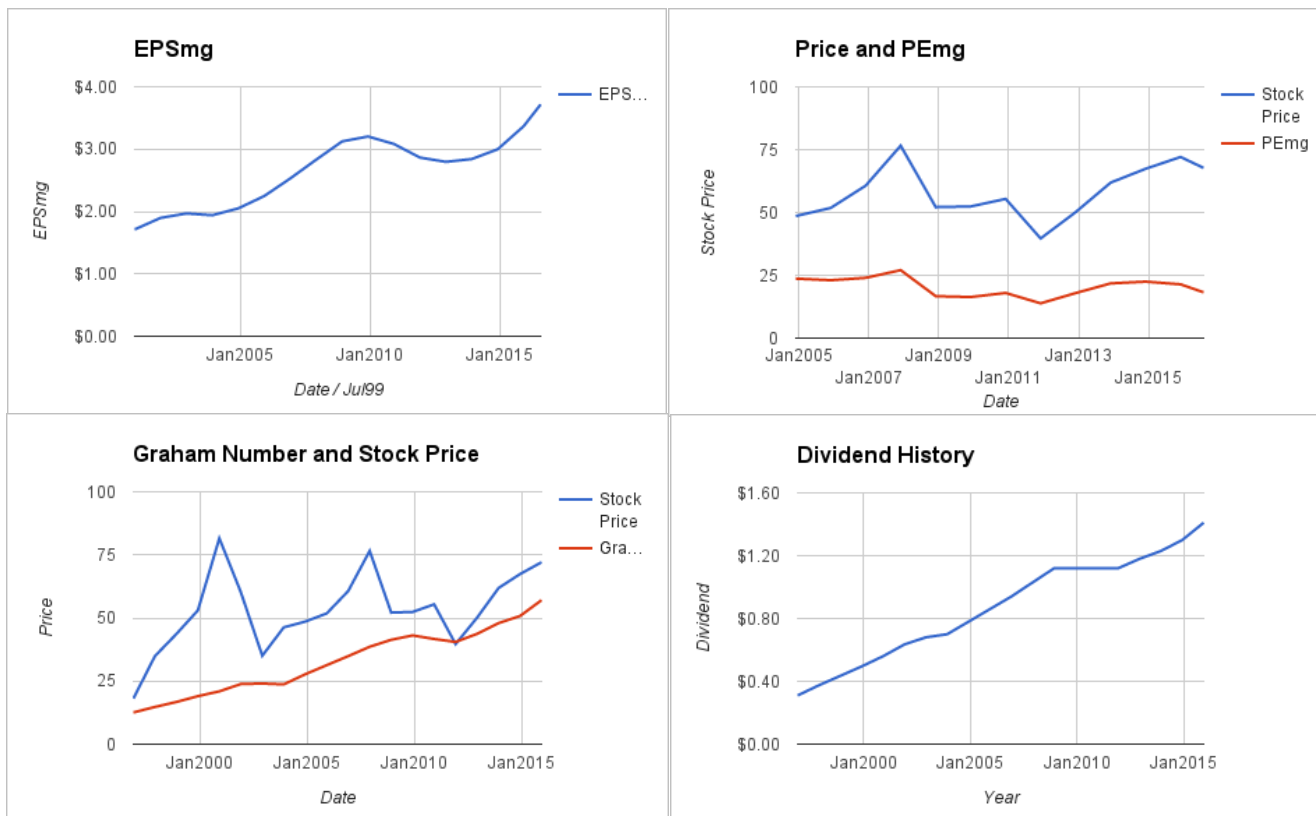
Graham Number	\$60.74
PEmg	18.22
PB Ratio	1.73
Dividend Yield	2.13%
Number of Consecutive Years of Dividend Growth	5

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	\$4.18	Next Fiscal Year Estimate	\$3.72
Dec2015	\$3.99	Dec2015	\$3.37
Dec2014	\$3.32	Dec2014	\$3.00
Dec2013	\$3.07	Dec2013	\$2.84
Dec2012	\$2.81	Dec2012	\$2.80
Dec2011	\$2.47	Dec2011	\$2.86
Dec2010	\$2.74	Dec2010	\$3.08
Dec2009	\$3.16	Dec2009	\$3.20
Dec2008	\$3.47	Dec2008	\$3.12
Dec2007	\$3.24	Dec2007	\$2.83
Dec2006	\$3.00	Dec2006	\$2.53
Dec2005	\$2.64	Dec2005	\$2.25
Dec2004	\$2.27	Dec2004	\$2.05
Dec2003	\$1.80	Dec2003	\$1.94
Dec2002	\$1.97	Dec2002	\$1.97
Dec2001	\$2.11	Dec2001	\$1.90
Dec2000	\$2.08	Dec2000	\$1.71
Dec1999	\$1.74	Balance Sheet Information 6/1/2016	
Dec1998	\$1.52	Long-Term Debt	\$3,192,400,000
Dec1997	\$1.33	Total Assets	\$121,509,600,000
Dec1996	\$1.10	Intangible Assets	\$527,800,000
		Total Liabilities	\$112,558,100,000
		Shares Outstanding (Diluted Average)	229,197,000





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

- [Northern Trust Corp Valuation – January 2016 Update \\$NTRS](#)
- [Northern Trust Corp Valuation – January 2016 Update \\$NTRS](#)
- [Northern Trust Corporation Analysis – September 2015 Update \\$NTRS](#)
- [5 Speculative and Overvalued Companies to Avoid – November 2014](#)
- [20 Companies to Research This Week – 9/6/14](#)

Other
ModernGraham
posts about related
companies

- [O'Reilly Automotive Inc Valuation – July 2016 \\$ORLY](#)
- [Invesco Ltd Valuation – July 2016 \\$IVZ](#)
- [Nasdaq Inc Valuation – July 2016 \\$NDAQ](#)
- [Leucadia National Corp Valuation – July 2016 \\$LUK](#)
- [E*Trade Financial Corp Valuation – July 2016 \\$ETFC](#)
- [CBRE Group Inc Valuation – July 2016 \\$CBG](#)
- [Fidelity National Information Services Valuation – July 2016 \\$FIS](#)
- [Capital One Financial Corp Valuation – July 2016 \\$COF](#)
- [Intercontinental Exchange Inc Valuation – July 2016 \\$ICE](#)
- [H&R Block Inc Valuation – June 2016 \\$HRB](#)