

ModernGraham Valuation

Company Name:

Nordstrom, Inc.

Company Ticker JWN

Date of Analysis

10/28/2015



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	\$12,184,446,062	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.57	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	54.96%	Pass
6. Moderate PEmg Ratio	PEmg < 20	17.52	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.02	Fail

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	1.57	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.42	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		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.69
MG Growth Estimate	6.15%
MG Value	\$76.78
MG Value based on 3% Growth	\$53.52
MG Value based on 0% Growth	\$31.38
Market Implied Growth Rate	4.51%

MG Opinion

Current Price	\$64.66
% of Intrinsic Value	84.22%
Opinion	Fairly Valued

Stage 3: Information for Further Research

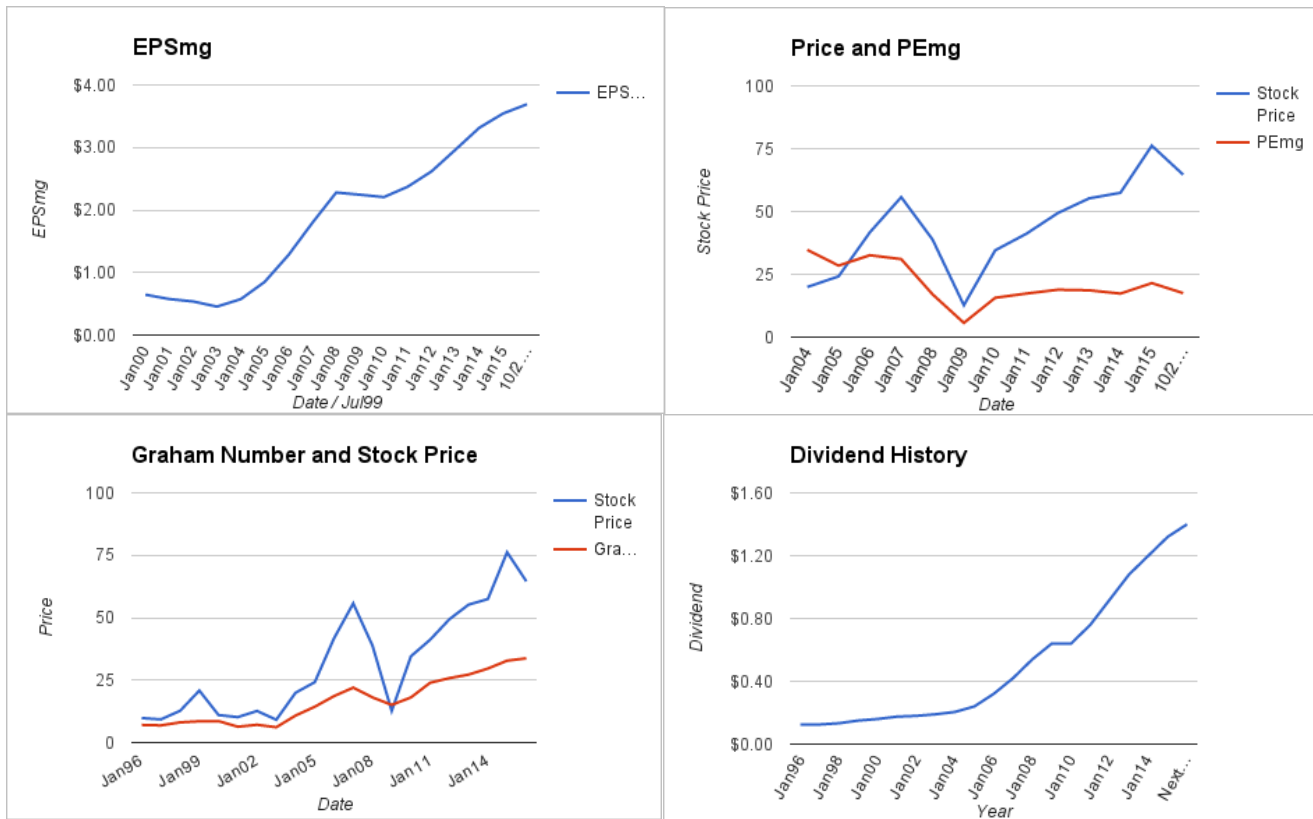
Net Current Asset Value (NCAV)	-\$9.18
Graham Number	\$33.73
PEmg	17.52
Current Ratio	1.57
PB Ratio	5.02
Dividend Yield	2.17%
Number of Consecutive Years of Dividend Growth	6

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	\$3.82	Next Fiscal Year Estimate	\$3.69
Jan15	\$3.72	Jan15	\$3.54
Jan14	\$3.71	Jan14	\$3.31
Jan13	\$3.56	Jan13	\$2.96
Jan12	\$3.14	Jan12	\$2.62
Jan11	\$2.75	Jan11	\$2.37
Jan10	\$2.01	Jan10	\$2.21
Jan09	\$1.83	Jan09	\$2.24
Jan08	\$2.88	Jan08	\$2.28
Jan07	\$2.55	Jan07	\$1.79
Jan06	\$1.98	Jan06	\$1.28
Jan05	\$1.39	Jan05	\$0.85
Jan04	\$0.88	Jan04	\$0.57
Jan03	\$0.33	Jan03	\$0.46
Jan02	\$0.46	Jan02	\$0.54
Jan01	\$0.39	Jan01	\$0.58
Jan00	\$0.73	Jan00	\$0.65
Jan99	\$0.71	Balance Sheet Information Jul15	
Jan98	\$0.60	Total Current Assets	\$5,432,000,000
Jan97	\$0.46	Total Current Liabilities	\$3,456,000,000
Jan96	\$0.51	Long-Term Debt	\$2,808,000,000
		Total Assets	\$9,700,000,000
		Intangible Assets	\$447,000,000
		Total Liabilities	\$7,209,000,000
		Shares Outstanding (Diluted Average)	193,500,000





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

- [The Best Companies of the Retail Industry – August 2015](#)
- [Nordstrom Inc. Analysis – July 2015 Update \\$JWN](#)
- [21 Companies in the Spotlight This Week – 5/9/15](#)
- [Nordstrom Inc. Quarterly Valuation – May 2015 \\$JWN](#)
- [34 Companies in the Spotlight This Week – 2/7/15](#)

Other ModernGraham posts about related companies

- [Tractor Supply Company Valuation – October 2015 Update \\$TSCO](#)
- [Coach Inc. Valuation – October 2015 Update \\$COH](#)
- [Dollar Tree Stores Inc. Valuation – October 2015 Update \\$DLTR](#)
- [TJX Companies Inc. Valuation – October 2015 Update \\$TJX](#)
- [Tiffany and Company Valuation – October 2015 Update \\$TIF](#)
- [Urban Outfitters Inc. Analysis – October 2015 Update \\$URBN](#)
- [Staples Inc. Analysis – September 2015 Update \\$SPLS](#)
- [Fossil Group Inc. Analysis – September 2015 Update \\$FOSL](#)
- [Ross Stores Inc. Analysis – August 2015 Update \\$ROST](#)
- [The Best Companies of the Retail Industry – August 2015](#)