ModernGraham Valuation

Company Name:

Nordstrom, Inc.

Company Ticker JWN
Date of Analysis

5/14/2016



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.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$6,741,747,823 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.02 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Pass
E. Forningo Crouth	Increase of 33% in EPS in past 10 years using 3 year averages at	20.149/ Daga
5. Earnings Growth	beginning and end	39.14% Pass
Moderate PEmg Ratio	PEmg < 20	12.46 Pass
7 Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.86 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	1.02 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	49.57 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 No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.14
MG Growth Estimate	0.90%
MG Value	\$32.40
MG Value based on 3% Growth	\$45.57
MG Value based on 0% Growth	\$26.71
Market Implied Growth Rate	1.98%

MG Opinion

Current Price\$39.16% of Intrinsic Value120.88%

Opinion Overvalued MG Grade D+

Stage 3: Information for Further Research

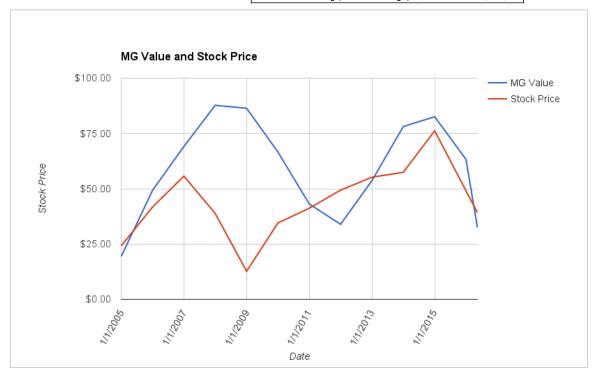
Net Current Asset Value (NCAV)	-\$21.81
Graham Number	\$16.67
PEmg	12.46
Current Ratio	1.02
PB Ratio	7.86
Current Dividend	\$1.48
Dividend Yield	3.78%
Number of Consecutive Years of Dividend Growth	7

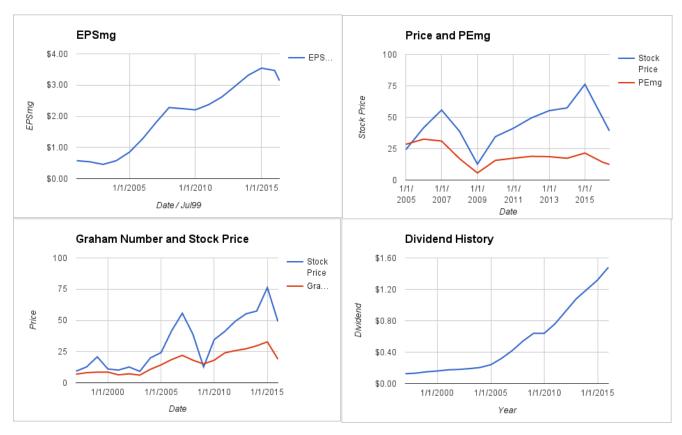
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.48	Next Fiscal Year Estimate	\$3.14
1/1/2016	\$3.15	1/1/2016	\$3.47
1/1/2015	\$3.72	1/1/2015	\$3.54
1/1/2014	\$3.71	1/1/2014	\$3.31
1/1/2013	\$3.56	1/1/2013	\$2.96
1/1/2012	\$3.14	1/1/2012	\$2.62
1/1/2011	\$2.75	1/1/2011	\$2.37
1/1/2010	\$2.01	1/1/2010	\$2.21
1/1/2009	\$1.83	1/1/2009	\$2.24
1/1/2008	\$2.88	1/1/2008	\$2.28
1/1/2007	\$2.55	1/1/2007	\$1.79
1/1/2006	\$1.98	1/1/2006	\$1.28
1/1/2005	\$1.39	1/1/2005	\$0.85
1/1/2004	\$0.88	1/1/2004	\$0.58
1/1/2003	\$0.33	1/1/2003	\$0.46
1/1/2002	\$0.47	1/1/2002	\$0.54
1/1/2001	\$0.39	1/1/2001	\$0.58
1/1/2000	\$0.73	Balance Sheet Information	
1/1/1999	\$0.71	Total Current Assets	\$2,992,000,000
1/1/1998	\$0.60	Total Current Liabilities	\$2,936,000,000
1/1/1997	\$0.46	Long-term Debt	\$2,776,000,000
·		Total Assets	\$7,699,000,000
		Intangible Assets	\$435,000,000
		Total Liabilities	\$6,824,000,000
		Shares Outstanding (Diluted Average)	175,700,000





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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