# **ModernGraham Valuation**

## **Company Name:**

Investment Technology Group



Company Ticker ITG
Date of Analysis

1/10/2017

### 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	\$646,851,375 Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.45 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Fail
Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10	
5. Earnings Growth	years using 3 year averages at beginning and end	-49.34% Fail

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5. Earnings Growth beginning and end -49.34% Fail
6. Moderate PEmg Ratio PEmg < 20 58.94 Fail
7. Moderate Price to Assets PB Ratio < 2.5 OR PB\*PEmg < 50 1.64 Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.45 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.03 Pass
3. Earnings Stability	Positive EPS for 5 years prior	Fail
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	\$0.34
MG Growth Estimate	15.00%
MG Value	\$13.12
MG Value based on 3% Growth	\$4.94
MG Value based on 0% Growth	\$2.90
Market Implied Growth Rate	25.22%

MG Opinion

Current Price \$20.08 % of Intrinsic Value 153.10%

Opinion Overvalued MG Grade F

#### Stage 3: Information for Further Research

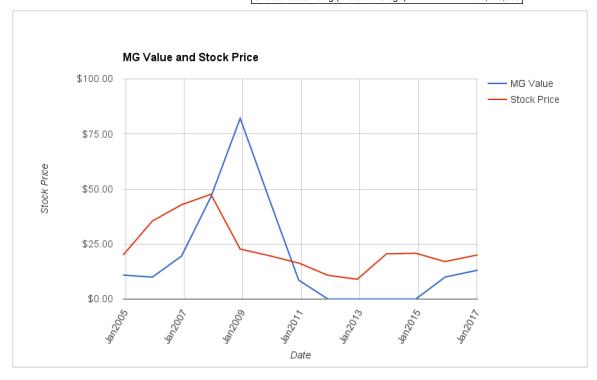
Net Current Asset Value (NCAV)	\$6.78
Graham Number	\$0.00
PEmg	58.94
Current Ratio	1.45
PB Ratio	1.64
Current Dividend	\$0.28
Dividend Yield	1.39%
Number of Consecutive Years of Dividend Growth	2

Morningstar

Useful Links: ModernGraham tagged articles

Google FinanceMSN MoneyYahoo FinanceSeeking AlphaGuruFocusSEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	-\$0.96	Next Fiscal Year Estimate	\$0.34
Dec2015	\$2.63	Dec2015	\$0.26
Dec2014	\$1.40	Dec2014	-\$1.16
Dec2013	\$0.82	Dec2013	-\$2.19
Dec2012	-\$6.45	Dec2012	-\$2.92
Dec2011	-\$4.42	Dec2011	-\$0.62
Dec2010	\$0.55	Dec2010	\$1.44
Dec2009	\$0.97	Dec2009	\$1.92
Dec2008	\$2.61	Dec2008	\$2.25
Dec2007	\$2.48	Dec2007	\$1.92
Dec2006	\$2.21	Dec2006	\$1.57
Dec2005	\$1.60	Dec2005	\$1.28
Dec2004	\$0.96	Dec2004	\$1.16
Dec2003	\$0.89	Dec2003	\$1.27
Dec2002	\$1.51	Dec2002	\$1.39
Dec2001	\$1.62	Dec2001	\$1.31
Dec2000	\$1.34	Dec2000	\$1.13
Dec1999	\$0.95	Balance Sheet Information	9/1/2016
Dec1998	\$0.94	Total Current Assets	\$737,786,000
Dec1997	\$1.42	Total Current Liabilities	\$507,934,000
Dec1996	\$0.83	Long-Term Debt	\$7,918,000
		Total Assets	\$917,102,000
		Intangible Assets	\$57,068,000
		Total Liabilities	\$515,852,000
		Shares Outstanding (Diluted Average)	32,725,000





#### 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 #N/A

Other ModernGraham posts about related companies

CI Financial Corp Valuation - Initial Coverage \$TSE-CIX

<u>Stifel Financial Corp Valuation – Initial Coverage \$SF</u>

SEI Investments Company Valuation - Initial Coverage \$SEIC

INTL Fcstone Inc Valuation - Initial Coverage \$INTL

SLM Corp Valuation – December 2016 \$SLM

The Western Union Company Valuation - December 2016 \$WU

IGM Financial Inc Valuation - Initial Coverage \$IGM

Main Street Capital Corporation Valuation - September 2016 \$MAIN

Navient Corp Valuation - August 2016 \$NAVI

T Rowe Price Group Inc Valuation – August 2016 \$TROW