

ModernGraham Valuation

Company Name:

Company Ticker ITG

Date of Analysis

1/10/2017

Investment
Technology Group



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
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-49.34%	Fail
5. Earnings Growth	PEmg < 20	58.94	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.64	Pass
7. Moderate Price to Assets			

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	1.45	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.03	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. 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

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	-\$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](#)
[Stifel Financial Corp Valuation – Initial Coverage \\$SF](#)
[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](#)