

ModernGraham Valuation

Company Name:

Target Corporation

Company Ticker TGT

Date of Analysis

3/7/2017



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	\$30,041,577,471	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.94	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	36.12%	Pass
5. Earnings Growth	PEmg < 20	16.00	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.85	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	0.94	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-15.36	Fail
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		Fail
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.45
MG Growth Estimate	-1.51%
MG Value	\$18.93
MG Value based on 3% Growth	\$50.05
MG Value based on 0% Growth	\$29.34
Market Implied Growth Rate	3.75%

MG Opinion

Current Price	\$55.22
% of Intrinsic Value	291.76%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$25.67
Graham Number	\$41.14
PEmg	16.00
Current Ratio	0.94
PB Ratio	2.85
Current Dividend	\$2.32
Dividend Yield	4.20%
Number of Consecutive Years of Dividend Growth	20

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	\$3.45
Jan2017	\$4.70	Jan2017	\$3.18
Jan2016	\$5.31	Jan2016	\$2.59
Jan2015	-\$2.56	Jan2015	\$1.71
Jan2014	\$3.07	Jan2014	\$3.84
Jan2013	\$4.52	Jan2013	\$4.08
Jan2012	\$4.28	Jan2012	\$3.76
Jan2011	\$4.00	Jan2011	\$3.44
Jan2010	\$3.30	Jan2010	\$3.14
Jan2009	\$2.86	Jan2009	\$3.08
Jan2008	\$3.33	Jan2008	\$3.09
Jan2007	\$3.21	Jan2007	\$2.85
Jan2006	\$2.71	Jan2006	\$2.51
Jan2005	\$3.51	Jan2005	\$2.25
Jan2004	\$1.76	Jan2004	\$1.57
Jan2003	\$1.78	Jan2003	\$1.42
Jan2002	\$1.21	Jan2002	\$1.20
Jan2001	\$1.38	Balance Sheet Information 1/1/2017	
Jan2000	\$1.23	Total Current Assets	\$11,990,000,000
Jan1999	\$0.99	Total Current Liabilities	\$12,708,000,000
Jan1998	\$0.80	Long-Term Debt	\$11,031,000,000
		Total Assets	\$37,431,000,000
		Intangible Assets	\$0
		Total Liabilities	\$26,478,000,000
		Shares Outstanding (Diluted Average)	564,500,000





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

[Target Corporation Stock Analysis – 2015 Update \\$TGT](#)
[17 Companies in the Spotlight This Week – June 21, 2014](#)
[Target Corp Annual Valuation – 2014 \\$TGT](#)
[17 Companies in the Spotlight This Week – 3/22/14](#)
[Target Corporation \(TGT\) Quarterly Valuation – March 2014](#)

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[Ulta Beauty Inc Valuation – Initial Coverage \\$ULTA](#)
[Kohl's Corporation Valuation – March 2017 \\$KSS](#)
[Stamps.com Inc Valuation – Initial Coverage \\$STMP](#)
[Kirkland's Inc Valuation – Initial Coverage \\$KIRK](#)
[Dollar Tree Inc Valuation – February 2017 \\$DLTR](#)
[Staples Inc Valuation – February 2017 \\$SPLS](#)
[Stein Mart Inc Valuation – Initial Coverage \\$SMRT](#)
[J C Penney Company Inc Valuation – Initial Coverage \\$JCP](#)
[TJX Companies Inc Valuation – December 2016 \\$TJX](#)