# **ModernGraham Valuation**

## **Company Name:**

T. Rowe Price Group Inc



Company Ticker TROW

Date of Analysis 7/16/2017

#### 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.

Adequate Size of the Enterprise	Market Cap > \$2Bil	\$19,611,175,233 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.53 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	152.00% Pass
Moderate PEmg Ratio	PEmg < 20	16.13 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.94 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	2.53 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00 Pass
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
	Coore	

Score

Suitability

Defensive Yes
Enterprising Yes

#### Stage 2: Determination of Intrinsic Value

\$4.97
8.11%
\$122.94
\$72.10
\$42.27
3.82%

MG Opinion

Opinion	Undervalued
% of Intrinsic Value	65.26%
Current Price	\$80.23

MG Grade A

### Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$3.21
Graham Number	\$51.41
PEmg	16.13
Current Ratio	2.53
PB Ratio	3.94
Current Dividend	\$2.16
Dividend Yield	2.69%
Number of Consecutive Years of Dividend	
Growth	20

Morningstar

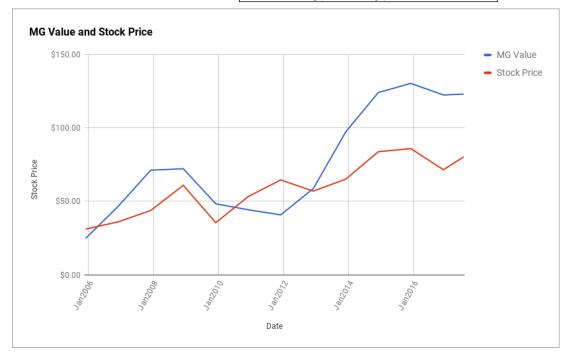
Useful Links: ModernGraham tagged articles

 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.74	Next Fiscal Year Estimate	\$4.97
Dec2016	\$4.75	Dec2016	\$4.47
Dec2015	\$4.63	Dec2015	\$4.18
Dec2014	\$4.55	Dec2014	\$3.79
Dec2013	\$3.90	Dec2013	\$3.23
Dec2012	\$3.36	Dec2012	\$2.75
Dec2011	\$2.92	Dec2011	\$2.38
Dec2010	\$2.53	Dec2010	\$2.09
Dec2009	\$1.65	Dec2009	\$1.87
Dec2008	\$1.82	Dec2008	\$1.92
Dec2007	\$2.40	Dec2007	\$1.85
Dec2006	\$1.90	Dec2006	\$1.47
Dec2005	\$1.58	Dec2005	\$1.19
Dec2004	\$1.26	Dec2004	\$0.98
Dec2003	\$0.88	Dec2003	\$0.85
Dec2002	\$0.76	Dec2002	\$0.83
Dec2001	\$0.76	Dec2001	\$0.84
Dec2000	\$1.04	Balance Sheet Information	3/1/2017
Dec1999	\$0.93	Total Current Assets	\$2,063,300,000
Dec1998	\$0.67	Total Current Liabilities	\$816,300,000
Dec1997	\$0.57	Long-Term Debt	\$0
		Total Assets	\$6,275,600,000
		Intangible Assets	\$665,700,000
		Total Liabilities	\$1,275,400,000
		Shares Outstanding (Diluted Average)	245,500,000





#### 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

T.Rowe Price Group Inc Valuation – June 2017 \$TROW

Best Dividend Paying Stocks for Dividend Growth Investors - March 2017

Best Dividend Paying Stocks for Dividend Growth Investors – February 2017

10 Undervalued Companies for the Defensive Dividend Stock Investor – February 2017

10 Undervalued Companies for the Defensive Dividend Stock Investor – January 2017

Other ModernGraham posts about related

companies

T.Rowe Price Group Inc Valuation - June 2017 \$TROW

Tricon Capital Group Inc Valuation - Initial Coverage \$TSE:TCN

Moody's Corporation Valuation - March 2017 \$MCO

KKR & Co Ltd Valuation - March 2017 \$KKR

Charles Schwab Corp Valuation - March 2017 \$SCHW

Synchrony Financial Valuation - Initial Coverage \$SYF

Franklin Resources Inc Valuation - February 2017 \$BEN

S&P Global Inc Valuation – Initial Coverage \$SPGI

CME Group Inc Valuation - February 2017 \$CME Equifax Inc Valuation - February 2017 \$EFX