

# ModernGraham Valuation

Company Name:

Nordstrom, Inc.

Company Ticker JWN

Date of Analysis

2/27/2018



## 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	\$8,500,696,964	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.00	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	22.00%	Fail
5. Earnings Growth	PEmg < 20	17.79	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	10.09	Fail
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	1.00	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	335.13	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 Score		Fail

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.87
MG Growth Estimate	-2.02%
<b>MG Value</b>	<b>\$12.80</b>
MG Value based on 3% Growth	\$41.60
MG Value based on 0% Growth	\$24.38
Market Implied Growth Rate	4.64%

### MG Opinion

Current Price	\$51.03
% of Intrinsic Value	398.55%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>D+</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$22.83
Graham Number	\$18.18
PEmg	17.79
Current Ratio	1.00
PB Ratio	10.09
Current Dividend	\$1.48
Dividend Yield	2.90%
Number of Consecutive Years of Dividend Growth	7

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<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	\$2.87
Jan2017	\$2.02	Jan2017	\$2.99
Jan2016	\$3.15	Jan2016	\$3.47
Jan2015	\$3.72	Jan2015	\$3.54
Jan2014	\$3.71	Jan2014	\$3.31
Jan2013	\$3.56	Jan2013	\$2.96
Jan2012	\$3.14	Jan2012	\$2.62
Jan2011	\$2.75	Jan2011	\$2.37
Jan2010	\$2.01	Jan2010	\$2.21
Jan2009	\$1.83	Jan2009	\$2.24
Jan2008	\$2.88	Jan2008	\$2.28
Jan2007	\$2.55	Jan2007	\$1.79
Jan2006	\$1.98	Jan2006	\$1.28
Jan2005	\$1.39	Jan2005	\$0.85
Jan2004	\$0.88	Jan2004	\$0.57
Jan2003	\$0.33	Jan2003	\$0.46
Jan2002	\$0.46	Jan2002	\$0.54
Jan2001	\$0.39	<b>Balance Sheet Information 10/1/2017</b>	
Jan2000	\$0.73	Total Current Assets	\$3,479,000,000
Jan1999	\$0.71	Total Current Liabilities	\$3,471,000,000
Jan1998	\$0.60	Long-Term Debt	\$2,681,000,000
		Total Assets	\$8,186,000,000
		Intangible Assets	\$238,000,000
		Total Liabilities	\$7,332,000,000
		Shares Outstanding (Diluted Average)	168,800,000





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

[10 Best Stocks For Value Investors This Week – 10/31/15](#)  
[Nordstrom Inc. Valuation – October 2015 Update \\$JWN](#)  
[The Best Companies of the Retail Industry – August 2015](#)  
[The 16 Best Stocks For Value Investors This Week – 8/1/15](#)  
[Nordstrom Inc. Analysis – July 2015 Update \\$JWN](#)

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[McKesson Corp Valuation – August 2017 \\$MCK](#)  
[Big 5 Sporting Goods Corp Valuation – Initial Coverage \\$BGFV](#)  
[Amazon.com Inc Valuation – August 2017 \\$AMZN](#)  
[Fossil Group Inc Valuation – March 2017 \\$FOSL](#)  
[Lumber Liquidators Holdings Inc Valuation – Initial Coverage \\$LL](#)  
[CVS Health Corp Valuation – March 2017 \\$CVS](#)  
[Target Corp Valuation – March 2017 \\$TGT](#)  
[Foot Locker Inc Valuation – Initial Coverage \\$FL](#)  
[Ulta Beauty Inc Valuation – Initial Coverage \\$ULTA](#)