ModernGraham Valuation

Company Name:

Company Ticker JWN Date of Analysis Nordstrom, Inc.



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

2/27/2018

Defensive Investor; must pass 6 out of the following 7 tests.

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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
5.	Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	22.00%	Fail
6.	Moderate PEmg Ratio	PEmg < 20	17.79	Pass
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	10.09	Fail
Enterprising Investor; mus	st pass 4 out of the following 5 tests, or be s	uitable 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		Fail
		Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

	EPSmg		\$2.87
	MG Growth Estimate		-2.02%
	MG Value		\$12.80
	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%
	Opinion	Overvalued	
	MG Grade	D+	

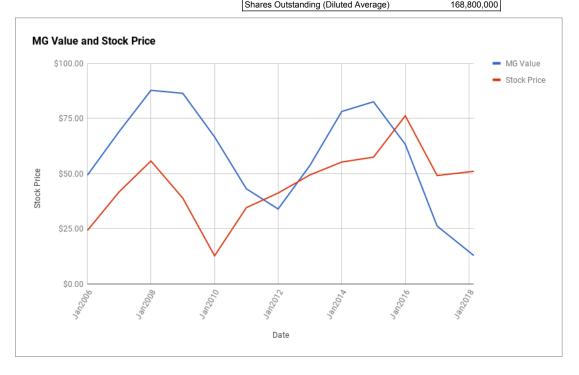
Stage 3: Information for Further Research

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
Clowan	1

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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	Balance Sheet Information	10/1/2017
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.

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