

ModernGraham Valuation

Northern Trust
Corporation



Company Name:

Company Ticker NTRS

Date of Analysis

4/5/2018

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

Defensive Investor; must pass all 6 of the following tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$23,554,663,257	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	81.88%	Pass
5. Moderate PEmg Ratio	PEmg < 20	21.48	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.33	Pass

Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.

1. Earnings Stability	Positive EPS for 5 years prior		Pass
2. Dividend Record	Currently Pays Dividend		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	4.86
MG Growth Estimate	9.60%
MG Value	\$134.74
MG Value based on 3% Growth	\$70.51
MG Value based on 0% Growth	\$41.33
Market Implied Growth Rate	6.49%

MG Opinion

Current Price	\$104.46
% of Intrinsic Value	77.53%
Opinion	Fairly Valued
MG Grade	C+

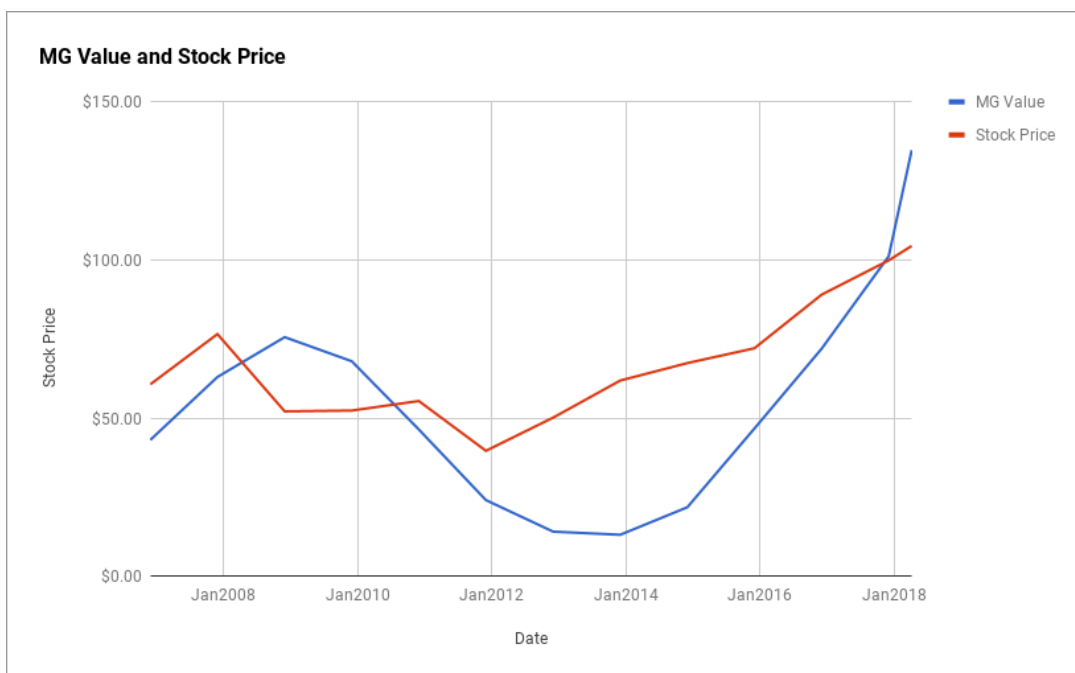
Stage 3: Information for Further Research

Graham Number	\$73.19
PEmg	21.48
PB Ratio	2.33
Dividend Yield	1.53%
Number of Consecutive Years of Dividend Growth	6

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	\$5.80	Next Fiscal Year Estimate	\$4.86
Dec2017	\$4.92	Dec2017	\$4.23
Dec2016	\$4.32	Dec2016	\$3.75
Dec2015	\$3.99	Dec2015	\$3.35
Dec2014	\$3.32	Dec2014	\$2.96
Dec2013	\$2.99	Dec2013	\$2.80
Dec2012	\$2.81	Dec2012	\$2.77
Dec2011	\$2.37	Dec2011	\$2.83
Dec2010	\$2.74	Dec2010	\$3.08
Dec2009	\$3.16	Dec2009	\$3.20
Dec2008	\$3.47	Dec2008	\$3.12
Dec2007	\$3.24	Dec2007	\$2.83
Dec2006	\$3.00	Dec2006	\$2.53
Dec2005	\$2.64	Dec2005	\$2.25
Dec2004	\$2.27	Dec2004	\$2.05
Dec2003	\$1.80	Dec2003	\$1.94
Dec2002	\$1.97	Dec2002	\$1.97
Dec2001	\$2.11	Balance Sheet Information 12/1/2017	
Dec2000	\$2.08	Long-Term Debt & Capital Lease Obligation	\$9,275,400,000
Dec1999	\$1.74	Total Assets	\$138,590,500,000
Dec1998	\$1.52	Intangible Assets	\$605,600,000
		Total Liabilities	\$128,374,300,000
		Shares Outstanding (Diluted Average)	228,050,000





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**
- [7 Best Stocks For Value Investors This Week – 7/30/16](#)
 - [Northern Trust Corp Valuation – July 2016 \\$NTRS](#)
 - [18 Best Stocks For Value Investors This Week – 1/30/16](#)
 - [Northern Trust Corp Valuation – January 2016 Update \\$NTRS](#)
 - [Northern Trust Corporation Analysis – September 2015 Update \\$NTRS](#)

- Other ModernGraham posts about related companies**
- [Nasdaq Inc Valuation – April 2018 \\$NDAQ](#)
 - [Leucadia National Corp Valuation – March 2018 \\$LUK](#)
 - [E*Trade Financial Corp Valuation – March 2018 \\$ETFC](#)
 - [Cboe Global Markets Inc Valuation – Initial Coverage \\$CBOE](#)
 - [Raymond James Financial Inc Valuation – March 2018 \\$RJF](#)
 - [Marsh & McLennan Companies Inc Valuation – March 2018 \\$MMC](#)
 - [Fidelity National Information Services Inc Valuation – March 2018 \\$FIS](#)
 - [Intercontinental Exchange Inc Valuation – March 2018 \\$ICE](#)
 - [H&R Block Inc Valuation – March 2018 \\$HRB](#)
 - [Morgan Stanley Valuation – March 2018 \\$MS](#)