

# ModernGraham Valuation

Affiliated Managers  
Group, Inc.



## Company Name:

Company Ticker AMG

Date of Analysis

5/5/2018

## 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	\$8,869,286,844	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.30	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	403.01%	Pass
5. Earnings Growth	PEmg < 20	13.44	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.51	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	1.30	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	9.35	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		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$12.03
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$463.21</b>
MG Value based on 3% Growth	\$174.45
MG Value based on 0% Growth	\$102.27
Market Implied Growth Rate	2.47%

### MG Opinion

Current Price	\$161.72
% of Intrinsic Value	34.91%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C-</b>

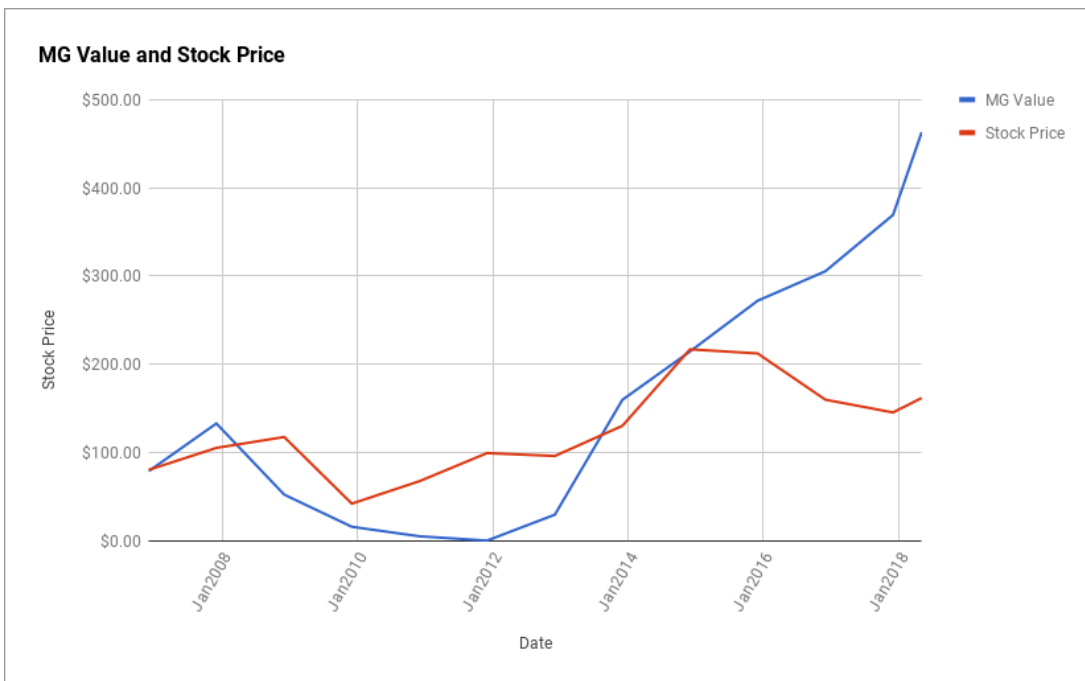
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$70.89
Graham Number	\$158.62
PEmg	13.44
Current Ratio	1.30
PB Ratio	2.51
Current Dividend	\$0.80
Dividend Yield	0.49%
Number of Consecutive Years of Dividend Growth	1

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<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	\$16.12	Next Fiscal Year Estimate	\$12.03
Dec2017	\$12.03	Dec2017	\$9.59
Dec2016	\$8.57	Dec2016	\$7.93
Dec2015	\$9.17	Dec2015	\$7.06
Dec2014	\$7.70	Dec2014	\$5.57
Dec2013	\$6.55	Dec2013	\$4.15
Dec2012	\$3.28	Dec2012	\$2.67
Dec2011	\$3.11	Dec2011	\$2.36
Dec2010	\$2.81	Dec2010	\$2.15
Dec2009	\$1.38	Dec2009	\$2.05
Dec2008	-\$0.03	Dec2008	\$2.46
Dec2007	\$4.55	Dec2007	\$3.45
Dec2006	\$3.74	Dec2006	\$2.72
Dec2005	\$2.81	Dec2005	\$2.11
Dec2004	\$2.02	Dec2004	\$1.73
Dec2003	\$1.57	Dec2003	\$1.62
Dec2002	\$1.65	Dec2002	\$1.62
Dec2001	\$1.47	<b>Balance Sheet Information 3/1/2018</b>	
Dec2000	\$1.66	Total Current Assets	\$866,400,000
Dec1999	\$2.12	Total Current Liabilities	\$667,300,000
Dec1998	\$0.89	Long-Term Debt	\$1,861,500,000
		Total Assets	\$8,584,200,000
		Intangible Assets	\$4,110,400,000
		Total Liabilities	\$4,907,200,000
		Shares Outstanding (Diluted Average)	57,000,000





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

- [Affiliated Managers Group Inc Valuation – January 2017 \\$AMG](#)
- [Affiliated Managers Group Analysis – Initial Coverage \\$AMG](#)

Other ModernGraham posts about related companies

- [The Western Union Co Valuation – April 2018 \\$WU](#)
- [Northern Trust Corp Valuation – April 2018 \\$NTRS](#)
- [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](#)