

# ModernGraham Valuation

Company Name:

Target Corporation

Company Ticker TGT

Date of Analysis

6/8/2018



## 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	\$41,572,798,391	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.90	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	30.66%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	16.97	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.78	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	0.90	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-9.51	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
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	\$4.60
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$177.00</b>
MG Value based on 3% Growth	\$66.66
MG Value based on 0% Growth	\$39.08
Market Implied Growth Rate	4.24%

### MG Opinion

Current Price	\$78.02
% of Intrinsic Value	44.08%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

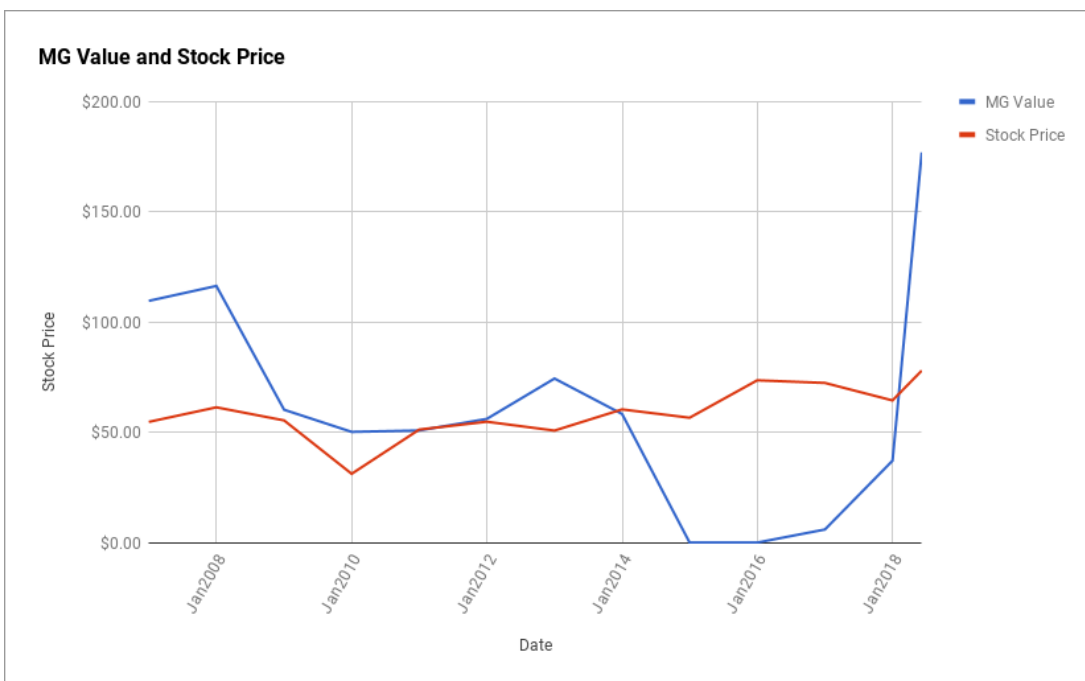
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$31.23
Graham Number	\$49.41
PEmg	16.97
Current Ratio	0.90
PB Ratio	3.78
Current Dividend	\$2.44
Dividend Yield	3.13%
Number of Consecutive Years of Dividend Growth	20

### 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		Next Fiscal Year Estimate	
Jan2018	\$5.10	Jan2018	\$4.60
Jan2017	\$5.33	Jan2017	\$3.95
Jan2016	\$4.70	Jan2016	\$3.18
Jan2015	\$5.31	Jan2015	\$2.58
Jan2014	-\$2.58	Jan2014	\$1.70
Jan2013	\$3.07	Jan2013	\$3.84
Jan2012	\$4.52	Jan2012	\$4.08
Jan2011	\$4.28	Jan2011	\$3.76
Jan2010	\$4.00	Jan2010	\$3.44
Jan2009	\$3.30	Jan2009	\$3.14
Jan2008	\$2.86	Jan2008	\$3.08
Jan2007	\$3.33	Jan2007	\$3.09
Jan2006	\$3.21	Jan2006	\$2.85
Jan2005	\$2.71	Jan2005	\$2.51
Jan2004	\$3.51	Jan2004	\$2.25
Jan2003	\$1.76	Jan2003	\$1.57
Jan2002	\$1.78	Jan2003	\$1.42
Jan2001	\$1.21	<b>Balance Sheet Information</b>	
Jan2000	\$1.38	<b>4/1/2018</b>	
Jan2000	\$1.23	Total Current Assets	\$10,876,000,000
Jan1999	\$0.99	Total Current Liabilities	\$12,044,000,000
		Long-Term Debt	\$11,107,000,000
		Total Assets	\$38,929,000,000
		Intangible Assets	\$0
		Total Liabilities	\$27,771,000,000
		Shares Outstanding (Diluted Average)	541,000,000





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

[Target Corp Valuation – March 2017 \\$TGT](#)  
[Target Corp Valuation – August 2016 \\$TGT](#)  
[Target Corporation Stock Analysis – 2015 Update \\$TGT](#)  
[17 Companies in the Spotlight This Week – June 21, 2014](#)  
[Target Corp Annual Valuation – 2014 \\$TGT](#)

Other  
ModernGraham  
posts about related  
companies

[JC Penney Company Valuation – June 2018 \\$JCP](#)  
[Shoe Carnival Inc Valuation – June 2018 \\$SCVL](#)  
[Aaron's Inc Valuation – June 2018 \\$AAN](#)  
[GameStop Corp Valuation – June 2018 \\$GME](#)  
[Urban Outfitters Inc Valuation – June 2018 \\$URBN](#)  
[Ulta Beauty Inc Valuation – June 2018 \\$ULTA](#)  
[Kohl's Corporation Valuation – June 2018 \\$KSS](#)  
[Dollar Tree Inc Valuation – May 2018 \\$DLTR](#)  
[TJX Companies Inc Valuation – May 2018 \\$TJX](#)  
[Tractor Supply Co Valuation – April 2018 \\$TSCO](#)