

ModernGraham Valuation

Company Name:

Company Ticker ITG
Date of Analysis

Investment
Technology Group

7/29/2018



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	\$734,712,447	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.45	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-73.45%	Fail
6. Moderate PEmg Ratio	PEmg < 20	60.30	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.10	Pass

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	1.45	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.01	Pass
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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.37
MG Growth Estimate	15.00%
MG Value	\$14.32
MG Value based on 3% Growth	\$5.39
MG Value based on 0% Growth	\$3.16
Market Implied Growth Rate	25.90%

MG Opinion

Current Price	\$22.43
% of Intrinsic Value	156.61%
Opinion	Overvalued
MG Grade	F

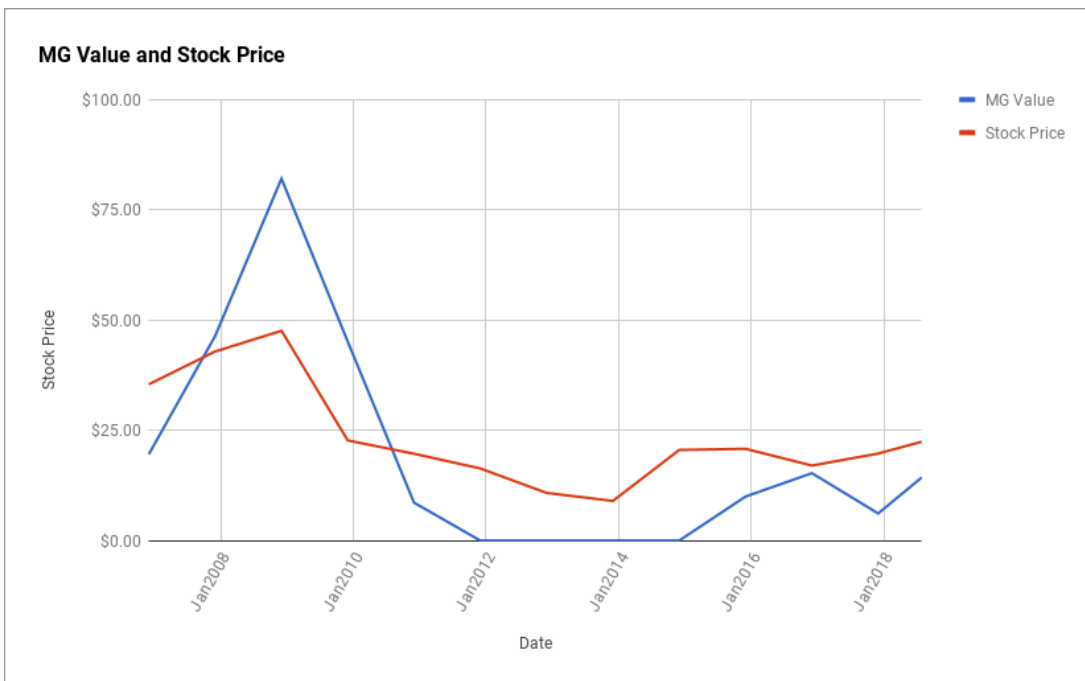
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$5.69
Graham Number	\$17.42
PEmg	60.30
Current Ratio	1.45
PB Ratio	2.10
Current Dividend	\$0.28
Dividend Yield	1.25%
Number of Consecutive Years of Dividend Growth	3

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	\$1.21	Next Fiscal Year Estimate	\$0.37
Dec2017	-\$1.19	Dec2017	\$0.16
Dec2016	-\$0.79	Dec2016	\$0.40
Dec2015	\$2.63	Dec2015	\$0.26
Dec2014	\$1.40	Dec2014	-\$1.16
Dec2013	\$0.82	Dec2013	-\$2.19
Dec2012	-\$6.45	Dec2012	-\$2.92
Dec2011	-\$4.42	Dec2011	-\$0.62
Dec2010	\$0.55	Dec2010	\$1.44
Dec2009	\$0.97	Dec2009	\$1.92
Dec2008	\$2.61	Dec2008	\$2.25
Dec2007	\$2.48	Dec2007	\$1.92
Dec2006	\$2.21	Dec2006	\$1.57
Dec2005	\$1.60	Dec2005	\$1.28
Dec2004	\$0.96	Dec2004	\$1.16
Dec2003	\$0.89	Dec2003	\$1.27
Dec2002	\$1.51	Dec2002	\$1.39
Dec2001	\$1.62	Balance Sheet Information 3/1/2018	
Dec2000	\$1.34	Total Current Assets	\$631,207,000
Dec1999	\$0.95	Total Current Liabilities	\$435,222,000
Dec1998	\$0.94	Long-Term Debt	\$2,509,000
		Total Assets	\$800,668,000
		Intangible Assets	\$66,064,000
		Total Liabilities	\$437,731,000
		Shares Outstanding (Diluted Average)	33,993,000





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 [Investment Technology Group Valuation – Initial Coverage \\$ITG](#)

Other ModernGraham posts about related companies

- [Canadian General Investments Ltd Valuation – July 2018 \\$TSE-CGI](#)
- [SLM Corp Valuation – July 2018 \\$SLM](#)
- [IGM Financial Inc Valuation – July 2018 \\$TSE-IGM](#)
- [Main Street Capital Corp Valuation – July 2018 \\$MAIN](#)
- [Legg Mason Inc Valuation – June 2018 \\$LM](#)
- [T. Rowe Price Group Inc Valuation – June 2018 \\$TROW](#)
- [Moody's Corporation – June 2018 \\$MCO](#)
- [Charles Schwab Corp Valuation – June 2018 \\$SCHW](#)
- [Willis Towers Watson PLC Valuation – Initial Coverage June 2018 \\$WLTW](#)
- [PayPal Holdings Inc Valuation – June 2018 \\$PYPL](#)