

ModernGraham Valuation

Company Name:

Nordstrom, Inc.

Company Ticker JWN

Date of Analysis

12/5/2018



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	\$8,611,864,656	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.12	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	-0.38%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	17.84	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.28	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	1.12	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	5.89	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	\$2.85
MG Growth Estimate	-2.94%
MG Value	\$7.48
MG Value based on 3% Growth	\$41.32
MG Value based on 0% Growth	\$24.22
Market Implied Growth Rate	4.67%

MG Opinion

Current Price	\$50.82
% of Intrinsic Value	679.67%
Opinion	Overvalued
MG Grade	D+

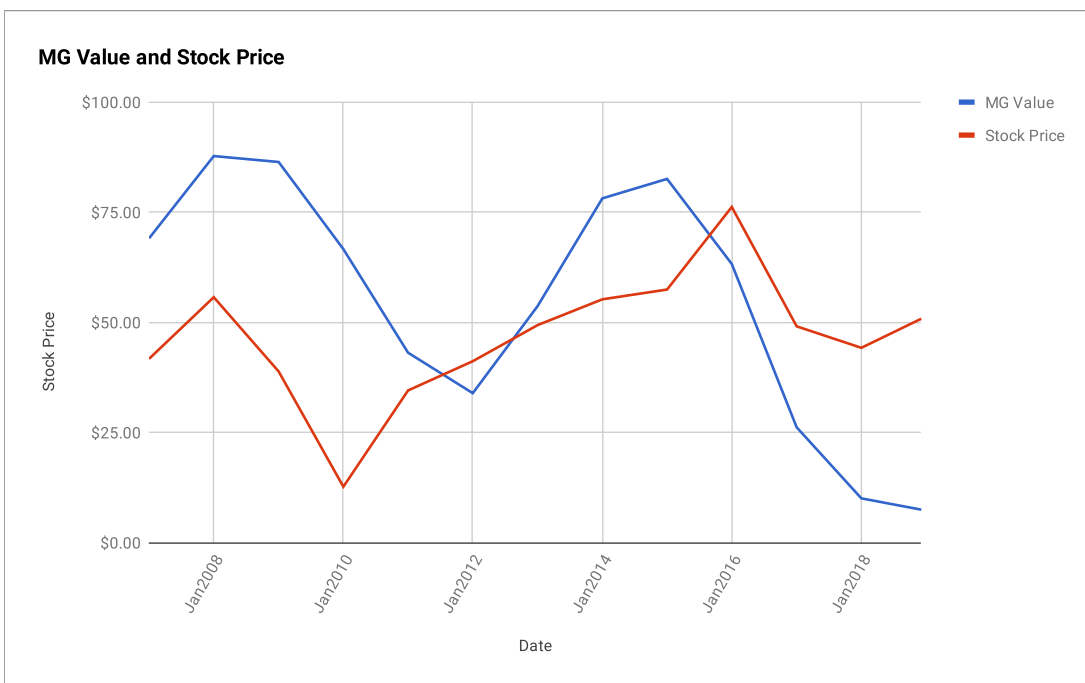
Stage 3: Information for Further Research

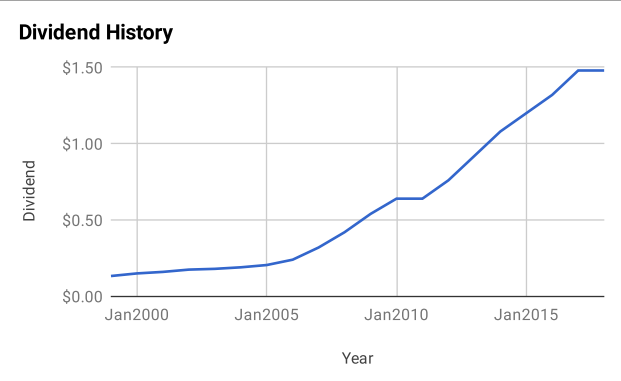
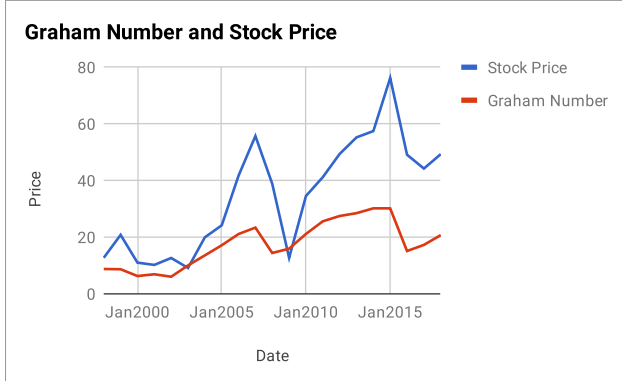
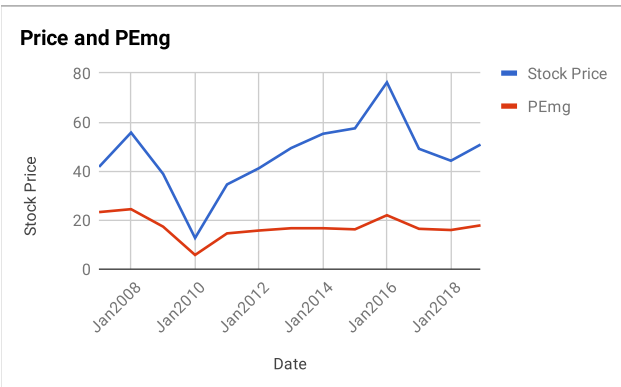
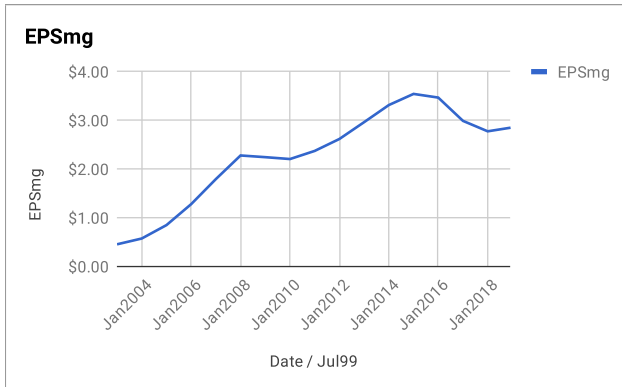
Net Current Asset Value (NCAV)	-\$18.61
Graham Number	\$20.71
PEmg	17.84
Current Ratio	1.12
PB Ratio	7.28
Current Dividend	\$1.48
Dividend Yield	2.91%
Number of Consecutive Years of Dividend Growth	0

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	\$3.26	Next Fiscal Year Estimate	\$2.85
Jan2018	\$2.59	Jan2018	\$2.78
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	Balance Sheet Information 10/1/2018	
Jan2001	\$0.39	Total Current Assets	\$4,297,000,000
Jan2000	\$0.73	Total Current Liabilities	\$3,842,000,000
Jan1999	\$0.71	Long-Term Debt	\$2,678,000,000
		Total Assets	\$8,709,000,000
		Intangible Assets	\$249,000,000
		Total Liabilities	\$7,506,000,000
		Shares Outstanding (Diluted Average)	172,400,000





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

- [Nordstrom Inc Valuation – February 2018 \\$JWN](#)
- [Nordstrom Inc Valuation – May 2016 \\$JWN](#)
- [10 Best Stocks For Value Investors This Week – 10/31/15](#)
- [Nordstrom Inc. Valuation – October 2015 Update \\$JWN](#)
- [The Best Companies of the Retail Industry – August 2015](#)

Other ModernGraham posts about related companies

- [Walmart Inc Valuation – November 2018 \\$WMT](#)
- [Canadian Tire Corp Ltd Valuation – August 2018 \\$TSE:CTC.A](#)
- [McKesson Corp Valuation – June 2018 \\$MCK](#)
- [Big 5 Sporting Goods Corp Valuation – June 2018 \\$BGFV](#)
- [Amazon.com Inc Valuation – June 2018 \\$AMZN](#)
- [Fossil Group Inc Valuation – June 2018 \\$FOSL](#)
- [Costco Wholesale Corp Valuation – June 2018 \\$COST](#)
- [Lumber Liquidators Holdings Inc Valuation – June 2018 \\$LL](#)
- [CVS Health Corp Valuation – June 2018 \\$CVS](#)
- [Target Corp Valuation – June 2018 \\$TGT](#)