

ModernGraham Valuation

Company Name:

State Street Corp

Company Ticker STT

Date of Analysis

1/15/2019



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	\$26,077,890,728	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. 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		
4. Earnings Growth		567.19%	Pass
5. Moderate PEmg Ratio	PEmg < 20	12.32	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.06	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	5.58
MG Growth Estimate	4.73%
MG Value	\$100.16
MG Value based on 3% Growth	\$80.90
MG Value based on 0% Growth	\$47.42
Market Implied Growth Rate	1.91%

MG Opinion

Current Price	\$68.71
% of Intrinsic Value	68.60%

Opinion	Undervalued
MG Grade	A-

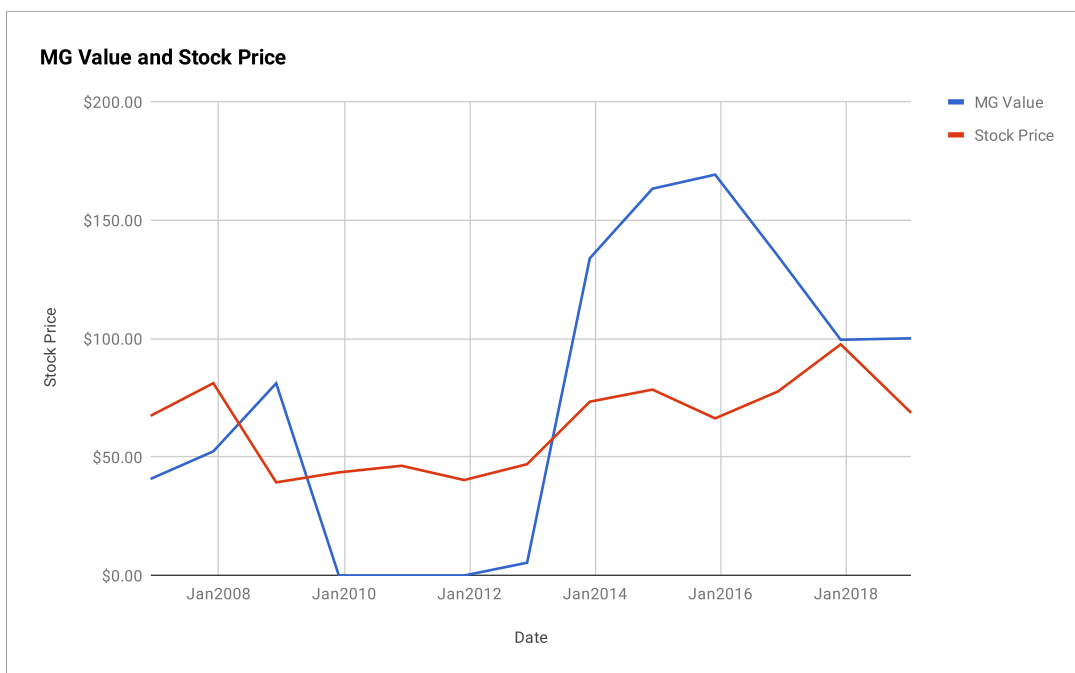
Stage 3: Information for Further Research

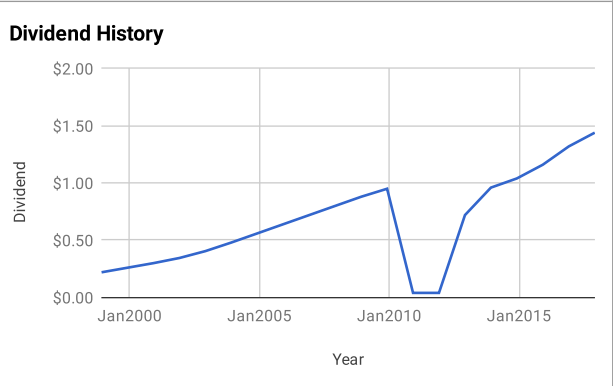
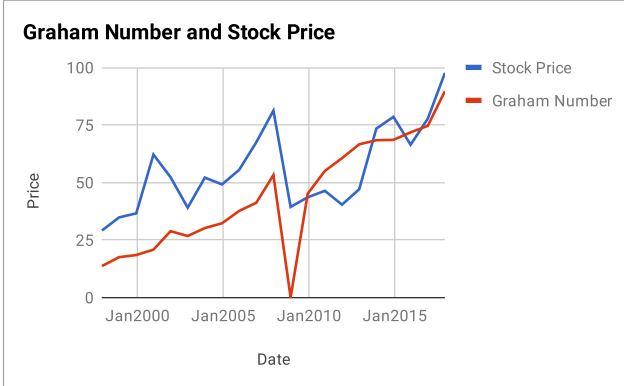
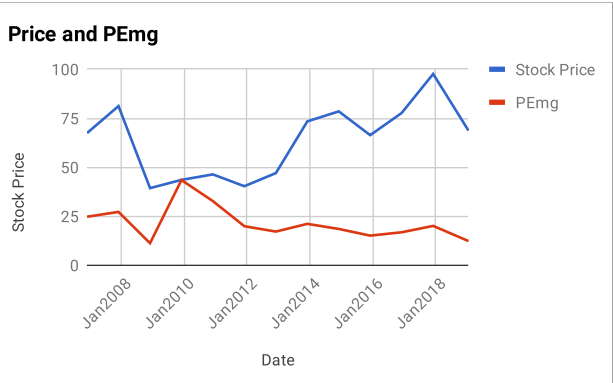
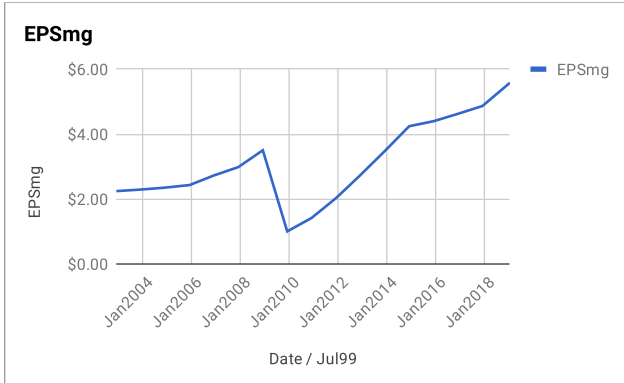
Graham Number	\$89.66
PEmg	12.32
PB Ratio	1.06
Dividend Yield	2.33%
Number of Consecutive Years of Dividend Growth	7

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	\$6.87	Next Fiscal Year Estimate	\$5.58
Dec2017	\$5.24	Dec2017	\$4.87
Dec2016	\$4.97	Dec2016	\$4.63
Dec2015	\$4.47	Dec2015	\$4.40
Dec2014	\$4.53	Dec2014	\$4.24
Dec2013	\$4.43	Dec2013	\$3.48
Dec2012	\$4.20	Dec2012	\$2.74
Dec2011	\$3.79	Dec2011	\$2.03
Dec2010	\$3.09	Dec2010	\$1.42
Dec2009	-\$4.32	Dec2009	\$1.00
Dec2008	\$4.30	Dec2008	\$3.50
Dec2007	\$3.45	Dec2007	\$2.98
Dec2006	\$3.29	Dec2006	\$2.73
Dec2005	\$2.50	Dec2005	\$2.43
Dec2004	\$2.35	Dec2004	\$2.35
Dec2003	\$2.15	Dec2003	\$2.29
Dec2002	\$3.10	Dec2002	\$2.24
Dec2001	\$1.90	Balance Sheet Information 9/1/2018	
Dec2000	\$1.82	Long-Term Debt & Capital Lease Obligation	\$10,335,000,000
Dec1999	\$1.89	Total Assets	\$234,007,000,000
Dec1998	\$1.33	Intangible Assets	\$7,477,000,000
		Total Liabilities	\$209,454,000,000
		Shares Outstanding (Diluted Average)	379,383,000





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**
- [State Street Corp Valuation – March 2018 \\$STT](#)
 - [Best Stocks to Invest In: the Bank Industry – August 2016](#)
 - [12 Best Stocks For Value Investors This Week – 7/1/16](#)
 - [State Street Corp Valuation – June 2016 \\$STT](#)
 - [9 Best Stocks For Value Investors This Week – 11/28/15](#)

- Other ModernGraham posts about related companies**
- [Morgan Stanley Valuation – January 2019 \\$MS](#)
 - [MSCI Inc Valuation – January 2019 \\$MSCI](#)
 - [BlackRock Inc Valuation – January 2019 \\$BLK](#)
 - [Ameriprise Financial Inc Valuation – January 2019 \\$AMP](#)
 - [Invesco Ltd Valuation – January 2019 \\$IVZ](#)
 - [Capital One Financial Corp Valuation – January 2019 \\$COF](#)
 - [Total System Services Inc Valuation – December 2018 \\$TSS](#)
 - [Goldman Sachs Group Inc Valuation – November 2018 \\$GS](#)
 - [KKR & Co Inc Valuation – September 2018 \\$KKR](#)
 - [CorVel Corp Valuation – August 2018 \\$CRVL](#)