

ModernGraham Valuation

Affiliated Managers
Group, Inc.



Company Name:

Company Ticker AMG

Date of Analysis

2/26/2019

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	\$5,720,185,179	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.45	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
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	224.67%	Pass
6. Moderate PEmg Ratio	PEmg < 20	11.21	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.40	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	5.40	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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$9.81
MG Growth Estimate	5.82%
MG Value	\$197.46
MG Value based on 3% Growth	\$142.18
MG Value based on 0% Growth	\$83.35
Market Implied Growth Rate	1.35%

MG Opinion

Current Price	\$109.90
% of Intrinsic Value	55.66%
Opinion	Undervalued
MG Grade	C+

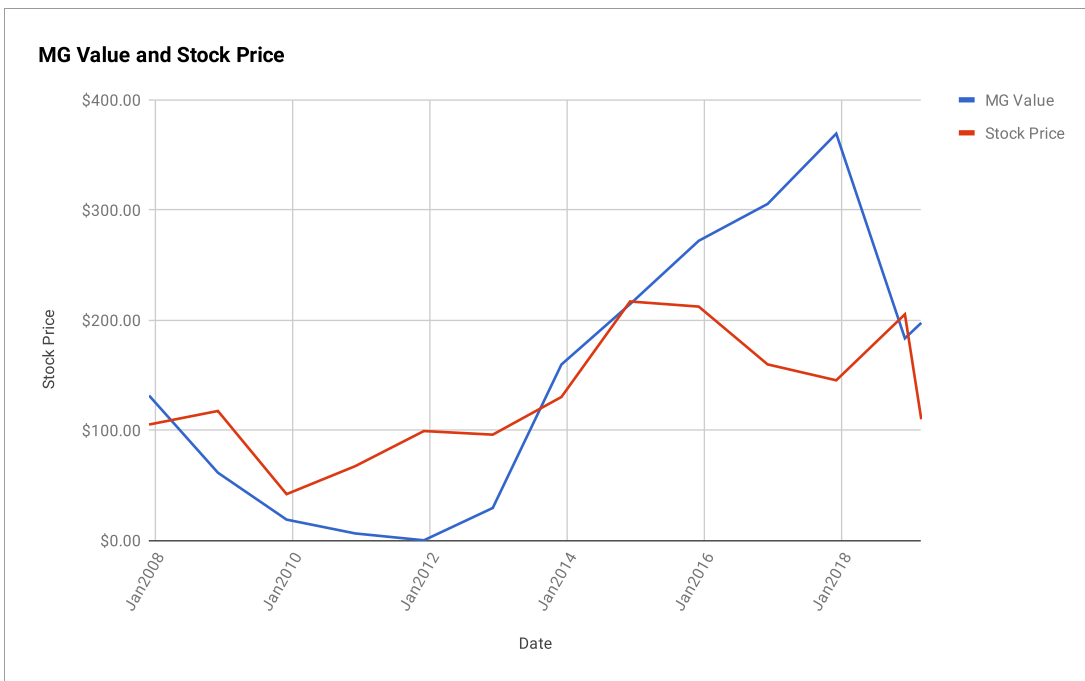
Stage 3: Information for Further Research

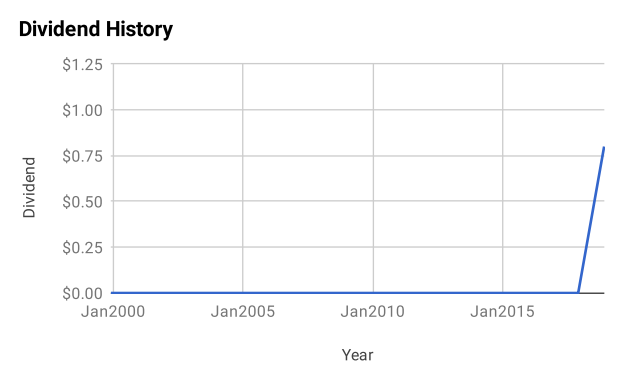
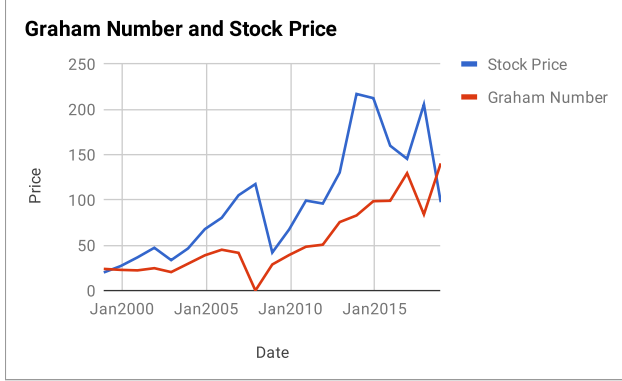
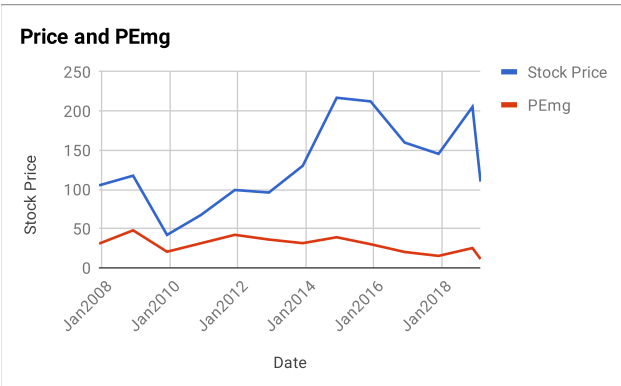
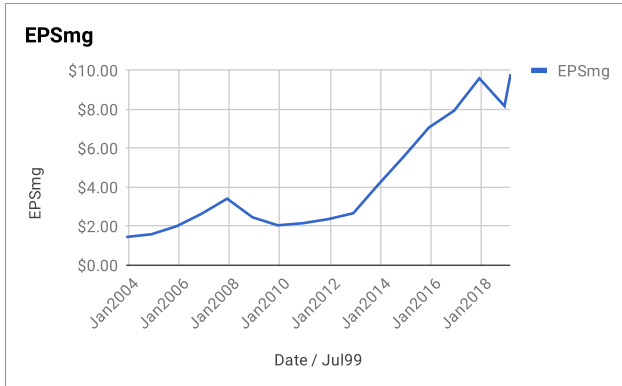
Net Current Asset Value (NCAV)	-\$56.90
Graham Number	\$140.26
PEmg	11.21
Current Ratio	1.45
PB Ratio	1.40
Current Dividend	\$1.20
Dividend Yield	1.09%
Number of Consecutive Years of Dividend Growth	2

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	\$13.32	Next Fiscal Year Estimate	\$9.81
Dec2018	\$4.52	Dec2018	\$8.16
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	\$3.42
Dec2006	\$3.74	Dec2006	\$2.65
Dec2005	\$2.81	Dec2005	\$2.00
Dec2004	\$2.02	Dec2004	\$1.59
Dec2003	\$1.05	Dec2003	\$1.45
Dec2002	\$1.65	Balance Sheet Information 12/1/2018	
Dec2001	\$1.47	Total Current Assets	\$1,085,400,000
Dec2000	\$1.66	Total Current Liabilities	\$746,600,000
Dec1999	\$2.12	Long-Term Debt	\$1,829,600,000
		Total Assets	\$8,219,100,000
		Intangible Assets	\$3,943,300,000
		Total Liabilities	\$4,084,200,000
		Shares Outstanding (Diluted Average)	52,700,000





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 – May 2018 \\$AMG](#)
- [Affiliated Managers Group Inc Valuation – January 2017 \\$AMG](#)
- [Affiliated Managers Group Analysis – Initial Coverage \\$AMG](#)

Other ModernGraham posts about related companies

- [Raymond James Financial Valuation – February 2019 \\$RJF](#)
- [Nasdaq Inc Valuation – February 2019 \\$NDAQ](#)
- [E*Trade Financial Corp Valuation – January 2019 \\$ETFC](#)
- [Marsh & McLennan Companies Inc Valuation – January 2019 \\$MMC](#)
- [Intercontinental Exchange Inc Valuation – January 2019 \\$ICE](#)
- [H&R Block Inc Valuation – January 2019 \\$HRB](#)
- [State Street Corp Valuation – January 2019 \\$STT](#)
- [Morgan Stanley Valuation – January 2019 \\$MS](#)
- [MSCI Inc Valuation – January 2019 \\$MSCI](#)
- [BlackRock Inc Valuation – January 2019 \\$BLK](#)