

ModernGraham Valuation

Company Name:

Company Ticker BK
Date of Analysis

Bank of New York
Mellon Corp

2/25/2019



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	\$52,474,421,623	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
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	97.25%	Pass
4. Earnings Growth	PEmg < 20	14.41	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.34	Pass
6. Moderate Price to Assets			

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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	3.68
MG Growth Estimate	10.24%
MG Value	\$106.77
MG Value based on 3% Growth	\$53.41
MG Value based on 0% Growth	\$31.31
Market Implied Growth Rate	2.95%

MG Opinion

Current Price	\$53.07
% of Intrinsic Value	49.70%
Opinion	Undervalued
MG Grade	A-

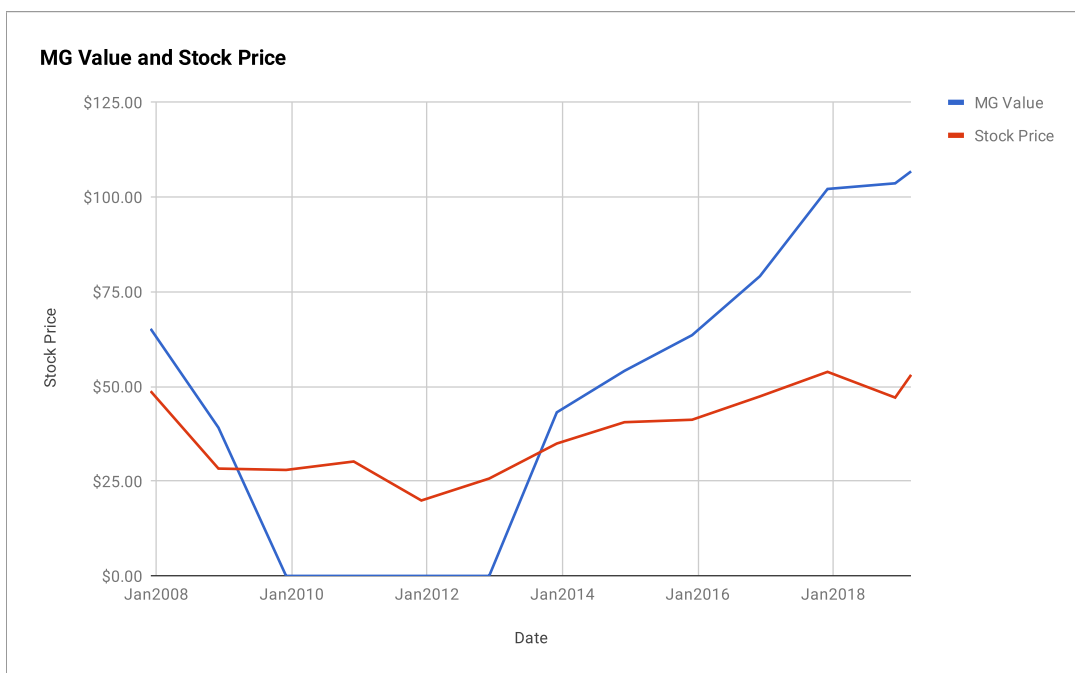
Stage 3: Information for Further Research

Graham Number	\$59.25
PEmg	14.41
PB Ratio	1.34
Dividend Yield	1.96%
Number of Consecutive Years of Dividend Growth	8

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	\$4.04	Next Fiscal Year Estimate	\$3.68
Dec2018	\$3.72	Dec2018	\$3.37
Dec2017	\$3.72	Dec2017	\$3.02
Dec2016	\$3.15	Dec2016	\$2.55
Dec2015	\$2.71	Dec2015	\$2.19
Dec2014	\$2.15	Dec2014	\$1.93
Dec2013	\$1.73	Dec2013	\$1.64
Dec2012	\$1.73	Dec2012	\$1.46
Dec2011	\$2.03	Dec2011	\$1.30
Dec2010	\$2.06	Dec2010	\$1.17
Dec2009	-\$1.16	Dec2009	\$1.03
Dec2008	\$1.20	Dec2008	\$2.16
Dec2007	\$2.18	Dec2007	\$2.53
Dec2006	\$3.94	Dec2006	\$2.51
Dec2005	\$2.03	Dec2005	\$1.76
Dec2004	\$1.85	Dec2004	\$1.64
Dec2003	\$1.52	Dec2003	\$1.61
Dec2002	\$1.24	Balance Sheet Information 12/1/2018	
Dec2001	\$1.81	Long-Term Debt & Capital Lease Obligation	\$29,163,000,000
Dec2000	\$1.92	Total Assets	\$362,873,000,000
Dec1999	\$2.27	Intangible Assets	\$20,570,000,000
		Total Liabilities	\$322,134,000,000
		Shares Outstanding (Diluted Average)	1,030,404,000





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

- [Bank of New York Mellon Corp Valuation – May 2018 \\$BK](#)
- [15 Best Stocks for Value Investors This Week – 1/14/17](#)
- [Bank of New York Mellon Corp Valuation – January 2017 \\$BK](#)
- [10 Stocks for Using A Benjamin Graham Value Investing Strategy – August 2016](#)
- [5 Best Undervalued Stocks of the Week – 8/14/16](#)

Other ModernGraham posts about related companies

- [Western Union Co Valuation – February 2019 \\$WU](#)
- [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](#)