

ModernGraham Valuation

Northern Trust
Corporation



Company Name:

Company Ticker NTRS

Date of Analysis

3/4/2019

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	\$20,238,028,921	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	121.45%	Pass
5. Moderate PEmg Ratio	PEmg < 20	16.36	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.95	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	5.66
MG Growth Estimate	10.34%
MG Value	\$165.23
MG Value based on 3% Growth	\$82.12
MG Value based on 0% Growth	\$48.14
Market Implied Growth Rate	3.93%

MG Opinion

Current Price	\$92.66
% of Intrinsic Value	56.08%
Opinion	Undervalued
MG Grade	B+

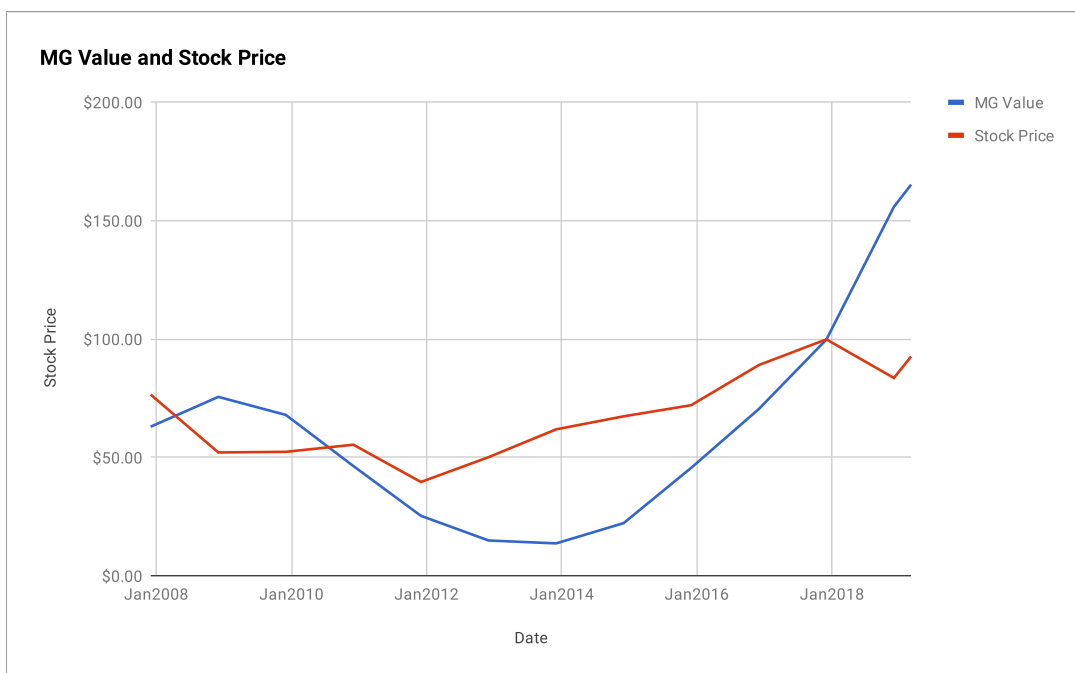
Stage 3: Information for Further Research

Graham Number	\$78.30
PEmg	16.36
PB Ratio	1.95
Dividend Yield	2.09%
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	\$6.20	Next Fiscal Year Estimate	\$5.66
Dec2018	\$6.64	Dec2018	\$5.14
Dec2017	\$4.92	Dec2017	\$4.23
Dec2016	\$4.32	Dec2016	\$3.75
Dec2015	\$3.99	Dec2015	\$3.35
Dec2014	\$3.32	Dec2014	\$2.98
Dec2013	\$2.99	Dec2013	\$2.82
Dec2012	\$2.81	Dec2012	\$2.80
Dec2011	\$2.47	Dec2011	\$2.86
Dec2010	\$2.74	Dec2010	\$3.08
Dec2009	\$3.16	Dec2009	\$3.20
Dec2008	\$3.47	Dec2008	\$3.12
Dec2007	\$3.24	Dec2007	\$2.83
Dec2006	\$3.00	Dec2006	\$2.53
Dec2005	\$2.64	Dec2005	\$2.25
Dec2004	\$2.27	Dec2004	\$2.05
Dec2003	\$1.80	Dec2003	\$1.94
Dec2002	\$1.97	Balance Sheet Information 12/1/2018	
Dec2001	\$2.11	Long-Term Debt & Capital Lease Obligation	\$11,303,000,000
Dec2000	\$2.08	Total Assets	\$132,212,500,000
Dec1999	\$1.74	Intangible Assets	\$669,300,000
		Total Liabilities	\$121,704,200,000
		Shares Outstanding (Diluted Average)	221,469,000





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

- [Northern Trust Corp Valuation – April 2018 \\$NTRS](#)
- [7 Best Stocks For Value Investors This Week – 7/30/16](#)
- [Northern Trust Corp Valuation – July 2016 \\$NTRS](#)
- [18 Best Stocks For Value Investors This Week – 1/30/16](#)
- [Northern Trust Corp Valuation – January 2016 Update \\$NTRS](#)

Other ModernGraham posts about related companies

- [Affiliated Managers Group Inc Valuation – February 2019 \\$AMG](#)
- [Bank of New York Mellon Corp Valuation – February 2019 \\$BK](#)
- [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](#)