

# ModernGraham Valuation

Company Name:

Target Corporation

Company Ticker TGT

Date of Analysis

3/20/2019



## 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	\$40,036,461,292	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.83	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	27.42%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	14.51	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.60	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	0.83	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-4.10	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.34
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$205.72</b>
MG Value based on 3% Growth	\$77.48
MG Value based on 0% Growth	\$45.42
Market Implied Growth Rate	3.01%

### MG Opinion

Current Price	\$77.54
% of Intrinsic Value	37.69%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

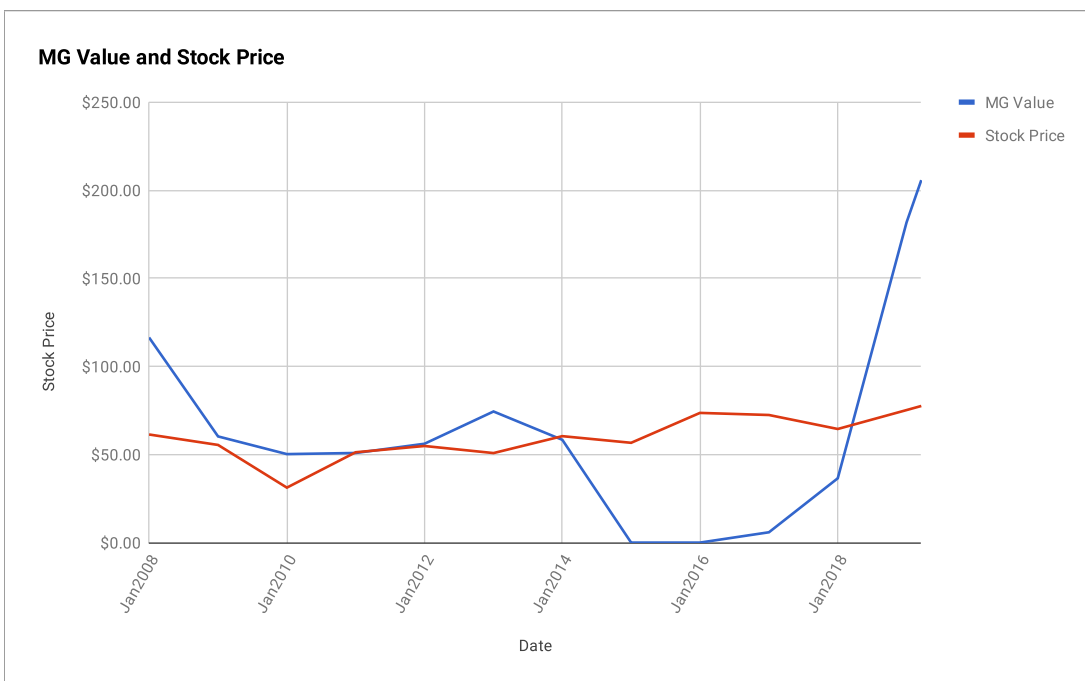
## Stage 3: Information for Further Research

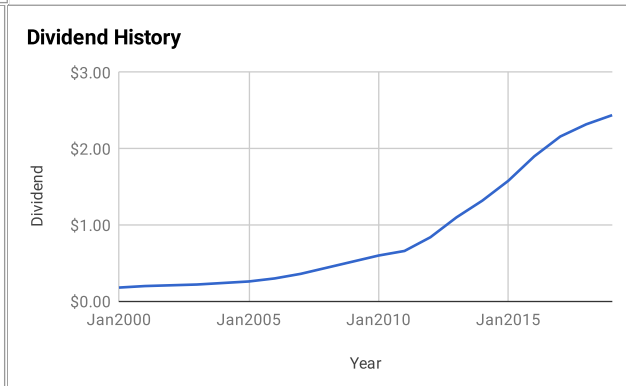
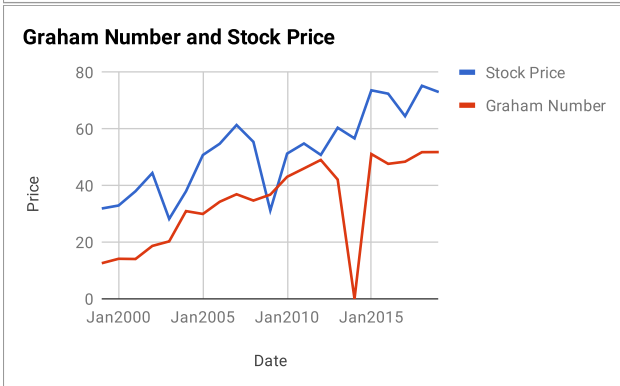
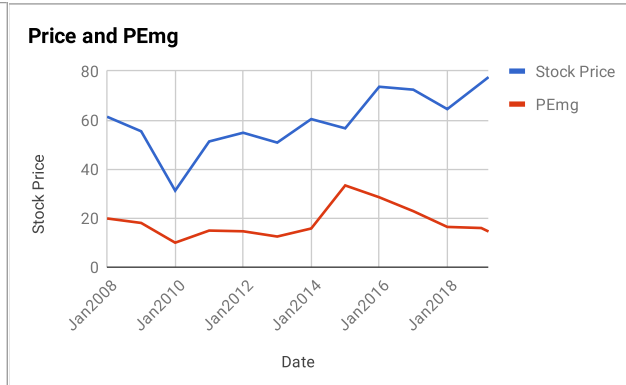
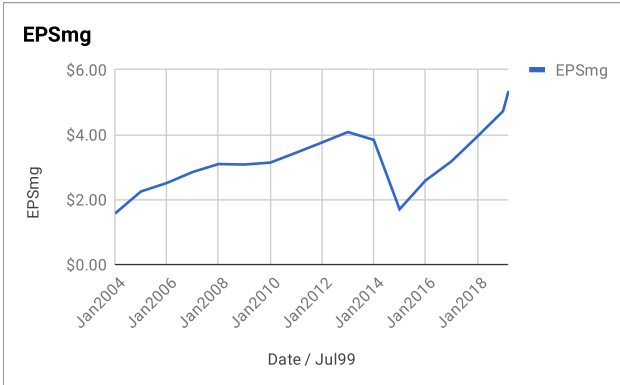
Net Current Asset Value (NCAV)	-\$33.33
Graham Number	\$51.81
PEmg	14.51
Current Ratio	0.83
PB Ratio	3.60
Current Dividend	\$2.52
Dividend Yield	3.25%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.51	Next Fiscal Year Estimate	\$5.34
Jan2019	\$5.51	Jan2019	\$4.72
Jan2018	\$5.29	Jan2018	\$3.94
Jan2017	\$4.69	Jan2017	\$3.17
Jan2016	\$5.31	Jan2016	\$2.58
Jan2015	-\$2.58	Jan2015	\$1.70
Jan2014	\$3.07	Jan2014	\$3.84
Jan2013	\$4.52	Jan2013	\$4.08
Jan2012	\$4.28	Jan2012	\$3.76
Jan2011	\$4.00	Jan2011	\$3.44
Jan2010	\$3.30	Jan2010	\$3.14
Jan2009	\$2.86	Jan2009	\$3.08
Jan2008	\$3.33	Jan2008	\$3.09
Jan2007	\$3.21	Jan2007	\$2.85
Jan2006	\$2.71	Jan2006	\$2.51
Jan2005	\$3.51	Jan2005	\$2.25
Jan2004	\$1.76	Jan2004	\$1.57
Jan2003	\$1.78	<b>Balance Sheet Information 1/1/2019</b>	
Jan2002	\$1.21	Total Current Assets	\$12,519,000,000
Jan2001	\$1.38	Total Current Liabilities	\$15,014,000,000
Jan2000	\$1.23	Long-Term Debt	\$10,223,000,000
		Total Assets	\$41,290,000,000
		Intangible Assets	\$699,000,000
		Total Liabilities	\$29,993,000,000
		Shares Outstanding (Diluted Average)	524,200,000





**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**

- [Target Corp Valuation – June 2018 \\$TGT](#)
- [Target Corp Valuation – March 2017 \\$TGT](#)
- [Target Corp Valuation – August 2016 \\$TGT](#)
- [Target Corporation Stock Analysis – 2015 Update \\$TGT](#)
- [17 Companies in the Spotlight This Week – June 21, 2014](#)

**Other ModernGraham posts about related companies**

- [Dollar Tree Inc Valuation – March 2019 #DLTR](#)
- [TJX Companies Inc Valuation – February 2019 \\$TJX](#)
- [Tractor Supply Co Valuation – February 2019 \\$TSCO](#)
- [Tapestry Inc Valuation – February 2019 \\$TPR](#)
- [Dollar General Corp Valuation – February 2019 \\$DG](#)
- [Tiffany & Co Valuation – February 2019 \\$TIF](#)
- [Best Buy Co Inc Valuation – February 2019 \\$BBY](#)
- [Macy's Inc Valuation – January 2019 \\$M](#)
- [Ross Stores Inc Valuation – January 2019 \\$ROST](#)
- [Walgreens Boots Alliance Inc Valuation – December 2018 \\$WBA](#)