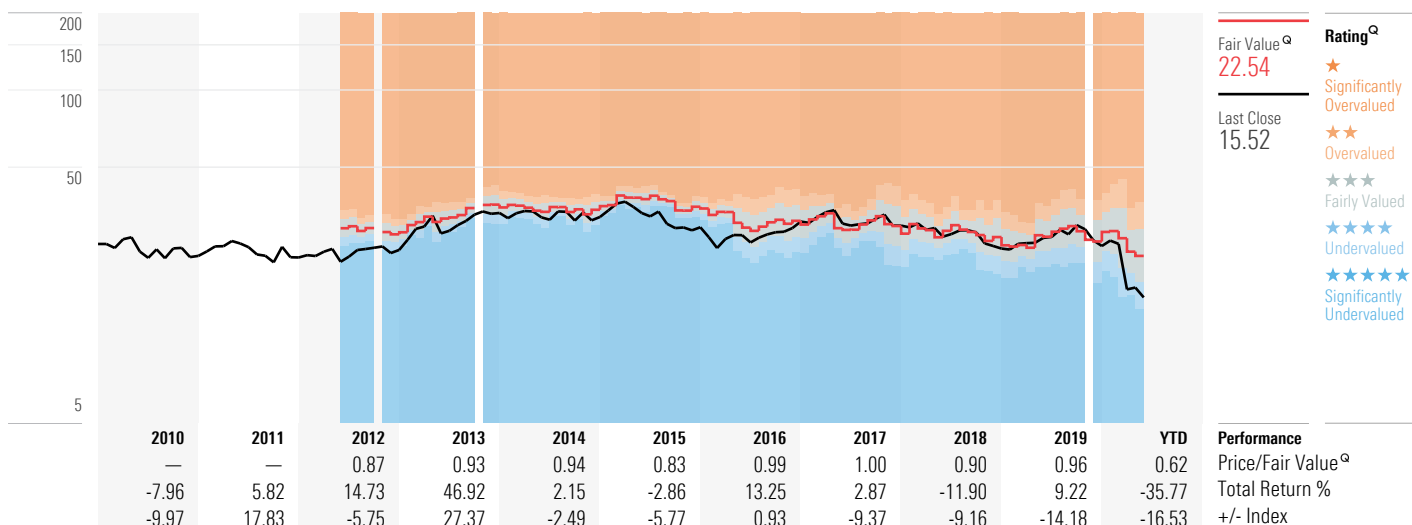


# National Australia Bank Ltd NAB ★★★★★ 12 May 2020, 22:35 UTC

<b>Economic Moat</b> <sup>Q</sup>	<b>Uncertainty</b> <sup>Q</sup>	<b>Price/Fair Value</b> <sup>Q</sup>	<b>Trailing Dividend Yield</b> %	<b>Market Cap</b>	<b>Investment Style</b>	<b>Sector</b>	<b>Industry</b>
Narrow	Very High	0.7	7.28	49.6045 Bil	Large Value	Financial Services	Banks - Diversified



Total Return % as of 12 May 2020. Last Close as of 12 May 2020. Fair Value as of 12 May 2020, 22:35 UTC. Index: Morningstar Australia GR AUD.

There is no one analyst in which a Quantitative Fair Value Estimate and Quantitative Star Rating are attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative fair value. As an employee of Morningstar, Inc., Mr. Davidson is guided by Morningstar, Inc.'s Code of Ethics and Personal Securities Trading Policy in carrying out his responsibilities. For information regarding Conflicts of Interests, visit <http://global.morningstar.com/equitydisclosures>

## Valuation<sup>Q</sup> as of 12 May 2020



NAB is undervalued at a 31% discount.

Fair Value<sup>Q</sup>  
22.54  
Uncertainty<sup>Q</sup>:  
Very High

Last Close  
15.52

**Economic Moat**<sup>Q</sup>  
Narrow

**Financial Health**<sup>Q</sup>  
Strong

**1-Star Price**<sup>Q</sup>  
> 36.44

**5-Star Price**<sup>Q</sup>  
< 13.94

## Financials as of 12 May 2020 (Fiscal Year End 30 Sep 2020)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD	Fiscal
15	16	17	18	18	19	21	17	17	17	8	Revenue (Bil)
—	—	—	—	—	—	—	—	—	—	—	Operating Income
—	—	—	—	—	—	—	—	—	—	—	Operating Margin (%)
3,971	4,957	3,837	5,425	5,103	6,163	228	5,187	5,454	4,715	1,313	Net Income (Mil)
1.88	2.28	1.72	2.24	2.15	2.45	0.09	1.89	1.94	1.64	0.40	Diluted Earnings/Share
6	9	-3	1	-7	-13	16	13	-9	10	9	Operating Cash Flow (Bil)
-797	-1,068	-946	-1,232	-1,243	-976	-875	-1,028	—	-1,135	-478	Capital Spending (Mil)
5,068	8,097	-3,493	-68	-8,478	-14,066	15,320	12,189	-9,196	9,275	8,672	Free Cash Flow (Mil)
2	2	2	2	2	3	3	3	3	3	3	Avg Shares Outstand(Bil)
1.50	1.70	1.77	1.87	1.95	1.98	1.98	1.98	1.98	1.66	1.13	Dividend Per Share

## Valuation as of 12 May 2020

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Current	Calendar
—	—	0.87	0.93	0.94	0.83	0.99	1.00	0.90	0.96	0.69	Price/Fair Value <sup>Q</sup>
3.29	3.10	3.28	4.71	4.30	4.00	3.81	4.88	3.87	4.25	2.90	Price/Sales
12.43	10.09	14.33	15.31	15.39	12.36	12.65	13.34	11.58	14.12	13.89	Price/Earnings
8.59	5.46	—	71.35	—	—	4.92	6.14	—	6.79	3.50	Price/Cash Flow
1.41	1.32	1.34	1.95	1.87	1.53	1.60	1.55	1.27	1.31	0.85	Price/Book

## Operating Performance as of 12 May 2020 (Fiscal Year End 30 Sep 2020)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q3	Fiscal (%)
0.59	0.69	0.51	0.69	0.6	0.67	0.03	0.66	0.68	0.57	—	Return on Assets
11.87	13.47	9.5	13.04	11.92	12.87	0.44	10.11	10.49	8.71	—	Return on Equity
—	—	—	—	—	—	—	—	—	—	—	Rtn on Invested Capital

## Business Description

National Australia Bank is the more business-focused of the four major banks, holding the largest share of business loans and the number three spot in home loans. National Australia Bank is currently the third-largest bank by market capitalisation, with the franchise covering consumer, small busi-

ness, corporate, and institutional sectors. Under the UBank brand the bank also owns one of Australia's largest digital only banks. Offshore operations in New Zealand and a soon to be divested Wealth Management business, MLC, round out the group.