

# ModernGraham Valuation

## Company Name:

Company Ticker AMP

Date of Analysis

8/14/2015

Ameriprise  
Financial, Inc.



## 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  | Pass |
| 2. Earnings Stability              | Positive EPS for 10 years prior  | Fail |
| 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 | Pass |
| 5. Moderate PEmg Ratio             | PEmg < 20  | Pass |
| 6. Moderate Price to Assets        | PB Ratio < 2.5 OR PB*PEmg < 50   | 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

|                     |            |
|---------------------|------------|
| <b>Defensive</b>    | <b>No</b>  |
| <b>Enterprising</b> | <b>Yes</b> |

## Stage 2: Determination of Intrinsic Value

|                             |                 |
|-----------------------------|-----------------|
| EPSmg                       | 7.45            |
| MG Growth Estimate          | 15.00%          |
| <b>MG Value</b>             | <b>\$286.80</b> |
| MG Value based on 3% Growth | \$108.02        |
| MG Value based on 0% Growth | \$63.32         |
| Market Implied Growth Rate  | 3.91%           |

### MG Opinion

|                      |                    |
|----------------------|--------------------|
| Current Price        | \$121.63           |
| % of Intrinsic Value | 42.41%             |
| <b>Opinion</b>       | <b>Undervalued</b> |

## Stage 3: Information for Further Research

|  |       |
|--|-------|
| PEmg   | 16.33 |
| PB Ratio                                       | 2.88  |
| Dividend Yield                                 | 1.98% |
| Number of Consecutive Years of Dividend Growth | 11    |

### 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 | \$9.09  | Next Fiscal Year Estimate              | \$7.45            |
| Dec14                     | \$8.30  | Dec14                                  | \$6.29            |
| Dec13                     | \$6.44  | Dec13                                  | \$5.04            |
| Dec12                     | \$4.62  | Dec12                                  | \$3.97            |
| Dec11                     | \$4.53  | Dec11                                  | \$3.42            |
| Dec10                     | \$4.18  | Dec10                                  | \$2.77            |
| Dec09                     | \$2.95  | Dec09                                  | \$2.11            |
| Dec08                     | -\$0.16 | Dec08                                  | \$1.88            |
| Dec07                     | \$3.39  | Dec07                                  | \$2.90            |
| Dec06                     | \$2.54  | Dec06                                  | \$2.50            |
| Dec05                     | \$2.32  | Dec05                                  | \$2.22            |
| Dec04                     | \$3.22  | Dec04                                  | \$1.86            |
| Dec03                     | \$2.95  | Dec03                                  | \$0.98            |
| Dec02                     | \$0.00  | Dec02                                  | \$0.00            |
| Dec01                     | \$0.00  | Dec01                                  | \$0.00            |
| Dec00                     | \$0.00  | Dec00                                  | \$0.00            |
| Dec99                     | \$0.00  | Dec99                                  | \$0.00            |
| Dec98                     | \$0.00  | <b>Balance Sheet Information Jun15</b> |                   |
| Dec97                     | \$0.00  | Long-Term Debt                         | \$10,408,000,000  |
| Dec96                     | \$0.00  | Total Assets                           | \$148,806,000,000 |
| Dec95                     | \$0.00  | Intangible Assets                      | \$0               |
|                           |         | Total Liabilities                      | \$140,931,000,000 |
|                           |         | Shares Outstanding (Diluted Average)   | 186,400,000       |



**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**

- [The Best Companies of the Financial Services Industry – May 2015](#)
- [30 Companies in the Spotlight This Week – 5/23/15](#)
- [Ameriprise Financial Inc. Quarterly Valuation – May 2015 \\$AMP](#)
- [40 Companies in the Spotlight This Week – 2/21/15](#)
- [Ameriprise Financial Inc. Quarterly Valuation – February 2015 \\$AMP](#)

**Other  
ModernGraham  
posts about related  
companies**

- [SLM Corporation Analysis – August 2015 Update \\$SLM](#)
- [Western Union Company Analysis – 2015 Update \\$WU](#)
- [American Express Company Analysis – August 2015 Update \\$AXP](#)
- [Main Street Capital Corporation Analysis – Initial Coverage \\$MAIN](#)
- [BlackRock Inc. Analysis – July 2015 Update \\$BLK](#)
- [Navient Corporation Analysis – Initial Coverage \\$NAVI](#)
- [KKR & Co. LP Analysis – Initial Coverage \\$KKR](#)
- [McGraw Hill Financial Inc. Analysis – 2015 Update \\$MHFI](#)
- [Bank of New York Mellon Analysis – July 2015 Update \\$BK](#)
- [Invesco Limited Analysis – July 2015 Update \\$IVZ](#)