

ModernGraham Valuation

Company Name:

Company Ticker PBC T

Date of Analysis

8/24/2015

People's United
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	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	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

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	0.78
MG Growth Estimate	14.42%
MG Value	\$29.05
MG Value based on 3% Growth	\$11.28
MG Value based on 0% Growth	\$6.61
Market Implied Growth Rate	5.44%

MG Opinion

Current Price	\$15.07
% of Intrinsic Value	51.87%
Opinion	Undervalued

Stage 3: Information for Further Research

PEmg	19.37
PB Ratio	0.97
Dividend Yield	4.40%
Number of Consecutive Years of Dividend Growth	20

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	\$0.82	Next Fiscal Year Estimate	\$0.78
Dec14	\$0.84	Dec14	\$0.71
Dec13	\$0.74	Dec13	\$0.60
Dec12	\$0.72	Dec12	\$0.50
Dec11	\$0.55	Dec11	\$0.40
Dec10	\$0.24	Dec10	\$0.34
Dec09	\$0.30	Dec09	\$0.40
Dec08	\$0.41	Dec08	\$0.46
Dec07	\$0.52	Dec07	\$0.48
Dec06	\$0.41	Dec06	\$0.44
Dec05	\$0.46	Dec05	\$0.42
Dec04	\$0.68	Dec04	\$0.38
Dec03	\$0.22	Dec03	\$0.28
Dec02	\$0.19	Dec02	\$0.36
Dec01	\$0.26	Dec01	\$0.48
Dec00	\$0.38	Dec00	\$0.60
Dec99	\$0.81	Dec99	\$0.69
Dec98	\$0.64	Balance Sheet Information Jun15	
Dec97	\$0.67	Long-Term Debt	\$3,646,000,000
Dec96	\$0.58	Total Assets	\$37,183,200,000
Dec95	\$0.52	Intangible Assets	\$2,090,600,000
		Total Liabilities	\$32,497,500,000
		Shares Outstanding (Diluted Average)	300,100,000



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

[10 Undervalued Companies for the Defensive Dividend Stock Investor – August 2015](#)

[10 Companies Benjamin Graham Would Invest In Today – August 2015](#)

[5 Undervalued Companies for Defensive Investors With High Dividend Yields – July 2015](#)

[5 Undervalued Companies for Defensive Investors With High Dividend Yields – June 2015](#)

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[BB&T Corporation Analysis – August 2015 Update \\$BBT](#)

[PNC Financial Services Group Inc. Analysis – August 2015 Update \\$PNC](#)

[US Bancorp Analysis – August 2015 Update \\$USB](#)

[Comerica Incorporated Analysis – July 2015 Update \\$CMA](#)

[Starwood Property Trust Inc. Analysis – Initial Coverage \\$STWD](#)

[Fifth Third Bancorp Analysis – July 2015 Update \\$FITB](#)

[Huntington Bancshares Analysis – June 2015 Update \\$HBAN](#)

[JPMorgan Chase Analysis – June 2015 Update \\$JPM](#)