

ModernGraham Valuation

Company Name:

KeyCorp

Company Ticker KEY

Date of Analysis

11/27/2015



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	\$10,943,343,208	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	96.08%	Pass
5. Moderate PEmg Ratio	PEmg < 20	13.36	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.03	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	0.98
MG Growth Estimate	15.00%
MG Value	\$37.78
MG Value based on 3% Growth	\$14.23
MG Value based on 0% Growth	\$8.34
Market Implied Growth Rate	2.43%

MG Opinion

Current Price	\$13.11
% of Intrinsic Value	34.70%
Opinion	Undervalued

Stage 3: Information for Further Research

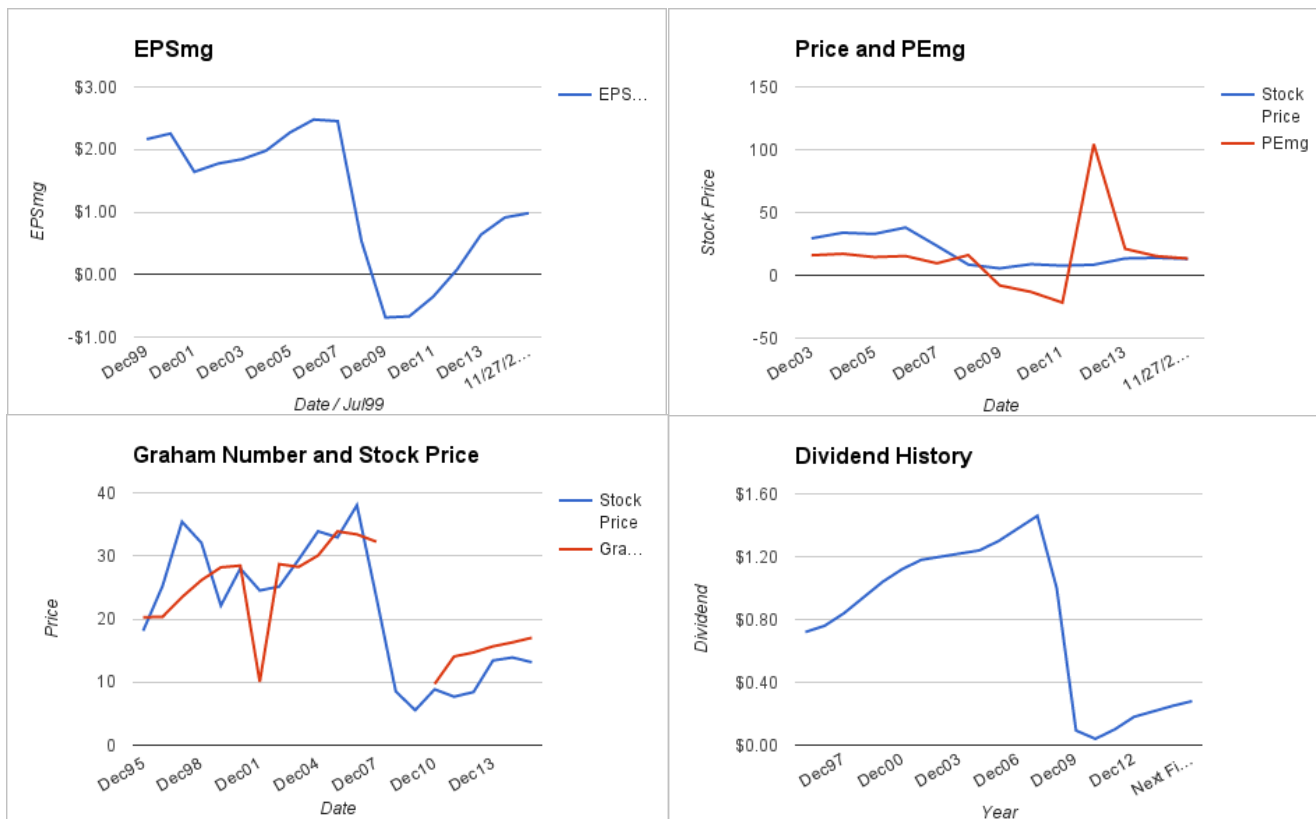
Graham Number	\$17.03
PEmg	13.36
PB Ratio	1.03
Dividend Yield	2.14%
Number of Consecutive Years of Dividend Growth	5

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	\$1.04	Next Fiscal Year Estimate	\$0.98
Dec14	\$0.99	Dec14	\$0.91
Dec13	\$0.97	Dec13	\$0.64
Dec12	\$0.89	Dec12	\$0.08
Dec11	\$0.87	Dec11	-\$0.35
Dec10	\$0.44	Dec10	-\$0.67
Dec09	-\$2.34	Dec09	-\$0.69
Dec08	-\$3.36	Dec08	\$0.53
Dec07	\$2.32	Dec07	\$2.45
Dec06	\$2.57	Dec06	\$2.48
Dec05	\$2.73	Dec05	\$2.27
Dec04	\$2.30	Dec04	\$1.98
Dec03	\$2.12	Dec03	\$1.84
Dec02	\$2.27	Dec02	\$1.77
Dec01	\$0.31	Dec01	\$1.64
Dec00	\$2.30	Dec00	\$2.25
Dec99	\$2.45	Dec99	\$2.16
Dec98	\$2.23	Balance Sheet Information	Sep15
Dec97	\$2.07	Long-Term Debt	\$10,310,000,000
Dec96	\$1.69	Total Assets	\$95,422,000,000
Dec95	\$1.71	Intangible Assets	\$1,134,000,000
		Total Liabilities	\$84,717,000,000
		Shares Outstanding (Diluted Average)	838,880,000





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:

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company

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[KeyCorp Analysis – August 2015 Update \\$KEY](#)

[The 12 Best Stocks For Value Investors This Week – 5/30/15](#)

[A Glimpse at the Banking Industry – May 2015](#)

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[U.S. Bancorp Valuation – November 2015 Update \\$USB](#)

[Starwood Property Trust Inc. Valuation – October 2015 Update \\$STWD](#)

[The Best Companies of the Banking Industry – October 2015](#)

[Comerica Inc. Valuation – October 2015 Update \\$CMA](#)

[Bank of New York Mellon Corporation Analysis – October 2015 Update \\$BK](#)

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

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