

ModernGraham Valuation

Company Name:

Company Ticker PBC
Date of Analysis

People's United
Financial, Inc.

12/10/2015



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	\$5,028,872,142	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	80.60%	Pass
5. Moderate PEmg Ratio	PEmg < 20	20.68	Fail
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	0.78
MG Growth Estimate	14.67%
MG Value	\$29.70
MG Value based on 3% Growth	\$11.38
MG Value based on 0% Growth	\$6.67
Market Implied Growth Rate	6.09%

MG Opinion

Current Price	\$16.23
% of Intrinsic Value	54.66%
Opinion	Undervalued

Stage 3: Information for Further Research

Graham Number	\$16.99
PEmg	20.68
PB Ratio	1.03
Dividend Yield	4.10%
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	\$0.84	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	Sep15
Dec97	\$0.67	Long-Term Debt	\$3,209,400,000
Dec96	\$0.58	Total Assets	\$37,477,700,000
Dec95	\$0.52	Intangible Assets	\$2,084,700,000
		Total Liabilities	\$32,746,900,000
		Shares Outstanding (Diluted Average)	301,000,000





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

- [Dividend Growth Stocks for the Intelligent Investor – November 2015](#)
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – November 2015](#)
- [The Best Companies of the Banking Industry – October 2015](#)
- [Dividend Growth Stocks for the Intelligent Investor – October 2015](#)
- [10 Undervalued Companies for the Defensive Dividend Stock Investor – September 2015](#)

Other ModernGraham posts about related companies

- [KeyCorp Valuation – November 2015 Update \\$KEY](#)
- [State Street Corp Valuation – November 2015 Update \\$STT](#)
- [BB&T Corporation Valuation – November 2015 Update \\$BBT](#)
- [PNC Financial Services Group Valuation – November 2015 Update \\$PNC](#)
- [SunTrust Banks Inc. Valuation – November 2015 Update \\$STI](#)
- [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](#)