

ModernGraham Valuation

Company Name:

Company Ticker PBC
Date of Analysis

People's United
Financial, Inc.

6/20/2016



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	\$4,771,826,748	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	106.45%	Pass
5. Moderate PEmg Ratio	PEmg < 20	18.44	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.97	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	0.83
MG Growth Estimate	9.53%
MG Value	\$22.89
MG Value based on 3% Growth	\$12.04
MG Value based on 0% Growth	\$7.06
Market Implied Growth Rate	4.97%

MG Opinion

Current Price	\$15.32
% of Intrinsic Value	66.93%
Opinion	Undervalued
MG Grade	B

Stage 3: Information for Further Research

Graham Number	\$17.28
PEmg	18.44
PB Ratio	0.97
Dividend Yield	8.24%
Number of Consecutive Years of Dividend Growth	1

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	\$0.86	Next Fiscal Year Estimate	\$0.83
Dec2015	\$0.86	Dec2015	\$0.79
Dec2014	\$0.84	Dec2014	\$0.71
Dec2013	\$0.74	Dec2013	\$0.60
Dec2012	\$0.72	Dec2012	\$0.51
Dec2011	\$0.57	Dec2011	\$0.40
Dec2010	\$0.24	Dec2010	\$0.34
Dec2009	\$0.30	Dec2009	\$0.40
Dec2008	\$0.42	Dec2008	\$0.47
Dec2007	\$0.52	Dec2007	\$0.48
Dec2006	\$0.41	Dec2006	\$0.44
Dec2005	\$0.46	Dec2005	\$0.42
Dec2004	\$0.68	Dec2004	\$0.41
Dec2003	\$0.22	Dec2003	\$0.33
Dec2002	\$0.19	Dec2002	\$0.44
Dec2001	\$0.26	Dec2001	\$0.59
Dec2000	\$0.79	Dec2000	\$0.73
Dec1999	\$0.81	Balance Sheet Information 3/1/2016	
Dec1998	\$0.64	Long-Term Debt	\$4,113,500,000
Dec1997	\$0.67	Total Assets	\$39,263,800,000
Dec1996	\$0.58	Intangible Assets	\$2,078,900,000
		Total Liabilities	\$34,472,600,000
		Shares Outstanding (Diluted Average)	301,900,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author held a long position in PBCT 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 Companies Benjamin Graham Would Invest In Today – March 2016](#)
- [Dividend Growth Stocks for Intelligent Investors – February 2016](#)
- [13 Best Stocks For Value Investors This Week – 12/12/15](#)
- [People's United Financial Corp Valuation – December 2015 Update \\$PBCT](#)
- [Dividend Growth Stocks for the Intelligent Investor – November 2015](#)

Other ModernGraham posts about related companies

- [BB&T Corporation Valuation – May 2016 \\$BBT](#)
- [SunTrust Banks Inc Valuation – February 2016 \\$STI](#)
- [Comerica Inc Stock Valuation – February 2016 \\$CMA](#)
- [U.S. Bancorp Valuation – February 2016 \\$USB](#)
- [JP Morgan Chase Valuation – January 2016 Update \\$JPM](#)
- [Comerica Inc Stock Valuation – February 2016 \\$CMA](#)
- [U.S. Bancorp Valuation – February 2016 \\$USB](#)
- [JP Morgan Chase Valuation – January 2016 Update \\$JPM](#)
- [Bank of New York Mellon Valuation – January 2016 Update \\$BK](#)
- [Fifth Third Bancorp Valuation – January 2016 Update \\$FITB](#)