

ModernGraham Valuation

Company Name:

Wells Fargo & Co

Company Ticker

WFC

Date of Analysis

6/26/2016



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	\$221,415,190,276	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	149.28%	Pass
5. Moderate PEmg Ratio	PEmg < 20	11.62	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.19	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	3.93
MG Growth Estimate	7.75%
MG Value	\$94.45
MG Value based on 3% Growth	\$57.05
MG Value based on 0% Growth	\$33.44
Market Implied Growth Rate	1.56%

MG Opinion

Current Price	\$45.71
% of Intrinsic Value	48.40%
Opinion	Undervalued
MG Grade	B+

Stage 3: Information for Further Research

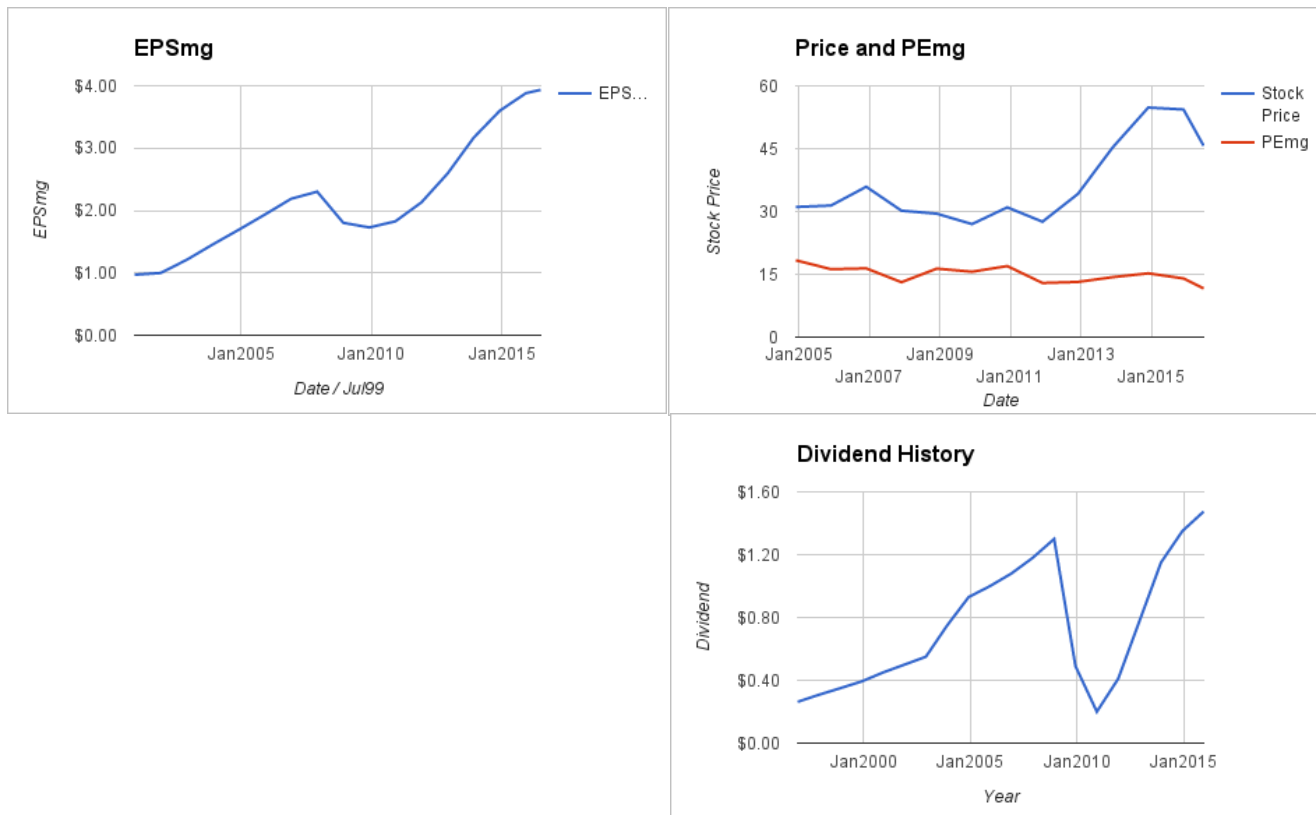
Graham Number	\$54.19
PEmg	11.62
PB Ratio	1.19
Dividend Yield	3.28%
Number of Consecutive Years of Dividend Growth	6

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	\$3.82	Next Fiscal Year Estimate	\$3.93
Dec2015	\$4.12	Dec2015	\$3.88
Dec2014	\$4.10	Dec2014	\$3.60
Dec2013	\$3.89	Dec2013	\$3.17
Dec2012	\$3.36	Dec2012	\$2.59
Dec2011	\$2.82	Dec2011	\$2.13
Dec2010	\$2.21	Dec2010	\$1.83
Dec2009	\$1.75	Dec2009	\$1.73
Dec2008	\$0.70	Dec2008	\$1.80
Dec2007	\$2.38	Dec2007	\$2.30
Dec2006	\$2.49	Dec2006	\$2.19
Dec2005	\$2.25	Dec2005	\$1.94
Dec2004	\$2.05	Dec2004	\$1.69
Dec2003	\$1.83	Dec2003	\$1.46
Dec2002	\$1.58	Dec2002	\$1.21
Dec2001	\$0.99	Dec2001	\$1.00
Dec2000	\$1.17	Dec2000	\$0.97
Dec1999	\$1.12	Balance Sheet Information 3/1/2016	
Dec1998	\$0.59	Long-Term Debt	\$227,888,000,000
Dec1997	\$0.88	Total Assets	\$1,849,182,000,000
Dec1996	\$0.77	Intangible Assets	\$39,695,000,000
		Total Liabilities	\$1,651,686,000,000
		Shares Outstanding (Diluted Average)	5,139,400,000





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

- [10 Most Undervalued Companies for the Defensive Investor – May 2016](#)
- [13 Best Stocks For Value Investors This Week – 12/12/15](#)
- [Wells Fargo & Co Valuation – December 2015 Update \\$WFC](#)
- [The Best Companies of the Banking Industry – October 2015](#)
- [10 Most Undervalued Companies for the Defensive Investor – September 2015](#)

Other
ModernGraham
posts about related
companies

- [State Street Corp Valuation – June 2016 \\$STT](#)
- [KeyCorp Valuation – June 2016 \\$KEY](#)
- [PNC Financial Services Group Inc Valuation – June 2016 \\$PNC](#)
- [People's United Financial Inc Valuation – June 2016 \\$PBCT](#)
- [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](#)