

ModernGraham Valuation

Company Name:

Company Ticker CMA
Date of Analysis

Comerica
Incorporated

8/22/2016



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	\$7,940,463,120	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	64.23%	Pass
5. Moderate PEmg Ratio	PEmg < 20	17.33	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.05	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	2.64
MG Growth Estimate	9.70%
MG Value	\$73.70
MG Value based on 3% Growth	\$38.29
MG Value based on 0% Growth	\$22.45
Market Implied Growth Rate	4.41%

MG Opinion

Current Price	\$45.76
% of Intrinsic Value	62.09%
Opinion	Undervalued
MG Grade	C-

Stage 3: Information for Further Research

Graham Number	\$45.50
PEmg	17.33
PB Ratio	1.05
Dividend Yield	1.86%
Number of Consecutive Years of Dividend Growth	7

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	\$2.08	Next Fiscal Year Estimate	\$2.64
Dec2015	\$2.84	Dec2015	\$2.85
Dec2014	\$3.16	Dec2014	\$2.68
Dec2013	\$2.85	Dec2013	\$2.14
Dec2012	\$2.67	Dec2012	\$1.60
Dec2011	\$2.09	Dec2011	\$1.24
Dec2010	\$0.88	Dec2010	\$1.30
Dec2009	-\$0.79	Dec2009	\$2.04
Dec2008	\$1.28	Dec2008	\$3.68
Dec2007	\$4.43	Dec2007	\$4.79
Dec2006	\$5.49	Dec2006	\$4.79
Dec2005	\$5.11	Dec2005	\$4.33
Dec2004	\$4.36	Dec2004	\$3.94
Dec2003	\$3.75	Dec2003	\$3.78
Dec2002	\$3.40	Dec2002	\$3.83
Dec2001	\$3.88	Dec2001	\$3.98
Dec2000	\$4.31	Dec2000	\$3.87
Dec1999	\$4.14	Balance Sheet Information 6/1/2016	
Dec1998	\$3.72	Long-Term Debt & Capital Lease Obligation	\$5,921,000,000
Dec1997	\$3.19	Total Assets	\$71,280,000,000
Dec1996	\$2.38	Intangible Assets	\$0
		Total Liabilities	\$63,586,000,000
		Shares Outstanding (Diluted Average)	177,000,000





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:

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company

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[The Best Companies of the Banking Industry – October 2015](#)
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[Citigroup Inc Valuation – July 2016 \\$C](#)
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