

ModernGraham Valuation

Company Name:

Company Ticker SIVB

Date of Analysis

1/11/2017

SVB Financial Group



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	\$9,250,132,270	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	206.79%	Pass
4. Earnings Growth	PEmg < 20	29.02	Fail
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.57	Fail
6. Moderate Price to Assets			

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	Fail
3. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	6.06
MG Growth Estimate	14.98%
MG Value	\$233.22
MG Value based on 3% Growth	\$87.93
MG Value based on 0% Growth	\$51.54
Market Implied Growth Rate	10.26%

MG Opinion

Current Price	\$175.95
% of Intrinsic Value	75.44%
Opinion	Fairly Valued
MG Grade	F

Stage 3: Information for Further Research

Graham Number	\$104.71
PEmg	29.02
PB Ratio	2.57
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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	\$7.06	Next Fiscal Year Estimate	\$6.06
Dec2015	\$6.62	Dec2015	\$5.34
Dec2014	\$5.31	Dec2014	\$4.47
Dec2013	\$4.67	Dec2013	\$3.73
Dec2012	\$3.91	Dec2012	\$3.03
Dec2011	\$3.94	Dec2011	\$2.56
Dec2010	\$2.24	Dec2010	\$1.96
Dec2009	\$0.66	Dec2009	\$1.95
Dec2008	\$2.16	Dec2008	\$2.53
Dec2007	\$3.37	Dec2007	\$2.49
Dec2006	\$2.38	Dec2006	\$1.90
Dec2005	\$2.40	Dec2005	\$1.60
Dec2004	\$1.70	Dec2004	\$1.36
Dec2003	\$0.35	Dec2003	\$1.31
Dec2002	\$1.21	Dec2002	\$1.74
Dec2001	\$1.79	Dec2001	\$1.84
Dec2000	\$3.23	Dec2000	\$1.67
Dec1999	\$1.23	Balance Sheet Information 9/1/2016	
Dec1998	\$0.69	Long-Term Debt & Capital Lease Obligation	\$795,971,000
Dec1997	\$0.68	Total Assets	\$43,274,037,000
Dec1996	\$0.55	Intangible Assets	\$0
		Total Liabilities	\$39,680,986,000
		Shares Outstanding (Diluted Average)	52,413,000





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

#N/A

Other
ModernGraham
posts about related
companies

[Simmons First National Corporation Valuation – Initial Coverage \\$SFNC](#)
[ServisFirst Bancshares Inc Valuation – Initial Coverage \\$SFBS](#)
[Ingredion Inc Valuation – Initial Coverage \\$INGR](#)
[City Holding Company Valuation – Initial Coverage \\$CHCO](#)
[Southside Bancshares Inc Valuation – Initial Coverage \\$SBSI](#)
[Independent Bank Corp Valuation – Initial Coverage \\$INDB](#)
[Cullen/Frost Bankers Inc Valuation – Initial Coverage \\$CFR](#)
[Signature Bank Valuation – Initial Coverage \\$SBNY](#)
[Cardinal Financial Corp Valuation – Initial Coverage \\$CFNL](#)
[Citizens Financial Group Inc Valuation – Initial Coverage \\$CFG](#)