

# ModernGraham Valuation

Company Name:

Company Ticker CMA

Date of Analysis

3/2/2017

Comerica  
Incorporated



## 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	\$13,722,751,735	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	575.91%	Pass
4. Earnings Growth	PEmg < 20	23.75	Fail
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.69	Pass
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	Pass
3. Earnings Growth	EPSmg greater than 5 years ago	Pass

### Suitability

Defensive	No
Enterprising	Yes

## Stage 2: Determination of Intrinsic Value

EPSmg	3.14
MG Growth Estimate	6.97%
<b>MG Value</b>	<b>\$70.45</b>
MG Value based on 3% Growth	\$45.54
MG Value based on 0% Growth	\$26.70
Market Implied Growth Rate	7.62%

### MG Opinion

Current Price	\$74.58
% of Intrinsic Value	105.86%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

Graham Number	\$61.17
PEmg	23.75
PB Ratio	1.69
Dividend Yield	1.19%
Number of Consecutive Years of Dividend Growth	8

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.74	Next Fiscal Year Estimate	\$3.14
Dec2016	\$2.68	Dec2016	\$2.84
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	<b>Balance Sheet Information 12/1/2016</b>	
Dec1999	\$4.14	Long-Term Debt & Capital Lease Obligation	\$5,160,000,000
Dec1998	\$3.72	Total Assets	\$72,978,000,000
Dec1997	\$3.19	Intangible Assets	\$643,000,000
		Total Liabilities	\$65,182,000,000
		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:

Other  
ModernGraham  
posts about the  
company

[Comerica Inc Valuation – August 2016 \\$CMA](#)  
[Best Stocks to Invest In: the Bank Industry – August 2016](#)  
[Comerica Inc Stock Valuation – February 2016 \\$CMA](#)  
[7 Best Stocks For Value Investors This Week – 10/24/15](#)  
[The Best Companies of the Banking Industry – October 2015](#)

Other  
ModernGraham  
posts about related  
companies

[Sterling Bancorp Valuation – Initial Coverage \\$STL](#)  
[S&T Bancorp Inc Valuation – Initial Coverage \\$STBA](#)  
[Central Pacific Financial Corp Valuation – Initial Coverage \\$CPF](#)  
[Synovus Financial Corp Valuation – Initial Coverage \\$SNV](#)  
[U.S. Bancorp Valuation – February 2017 \\$USB](#)  
[Columbia Banking System Inc Valuation – Initial Coverage \\$COLB](#)  
[Canadian Imperial Bank of Commerce Valuation – Initial Coverage \\$TSE:CM](#)  
[SVB Financial Group Valuation – Initial Coverage \\$SIVB](#)  
[Bank of New York Mellon Corp Valuation – January 2017 \\$BK](#)  
[Simmons First National Corporation Valuation – Initial Coverage \\$SFNC](#)