

ModernGraham Valuation

Company Name:

Company Ticker CUBI

Date of Analysis

3/13/2017

Customers Bancorp
Inc



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	\$1,003,171,787	Fail
2. Earnings Stability	Positive EPS for 10 years prior		Fail
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	94.04%	Pass
4. Earnings Growth	PEmg < 20	16.21	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.16	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	Fail
3. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	2.05
MG Growth Estimate	7.42%
MG Value	\$47.79
MG Value based on 3% Growth	\$29.70
MG Value based on 0% Growth	\$17.41
Market Implied Growth Rate	3.86%

MG Opinion

Current Price	\$33.20
% of Intrinsic Value	69.47%
Opinion	Undervalued
MG Grade	D

Stage 3: Information for Further Research

Graham Number	\$32.59
PEmg	16.21
PB Ratio	1.16
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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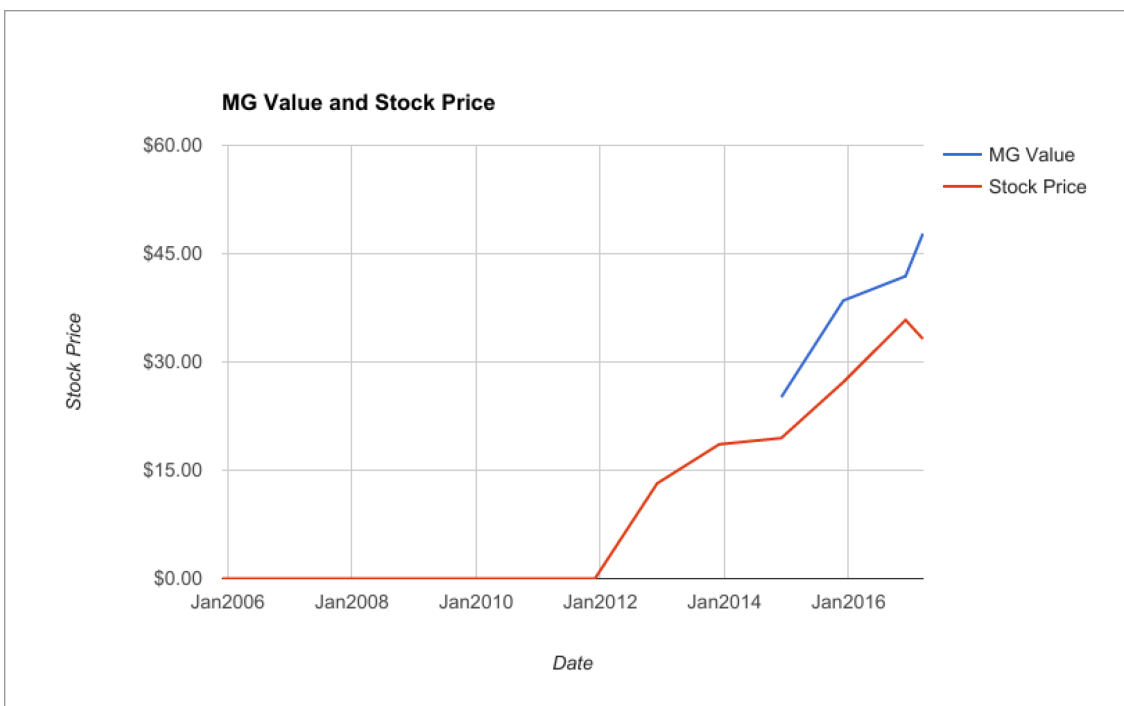
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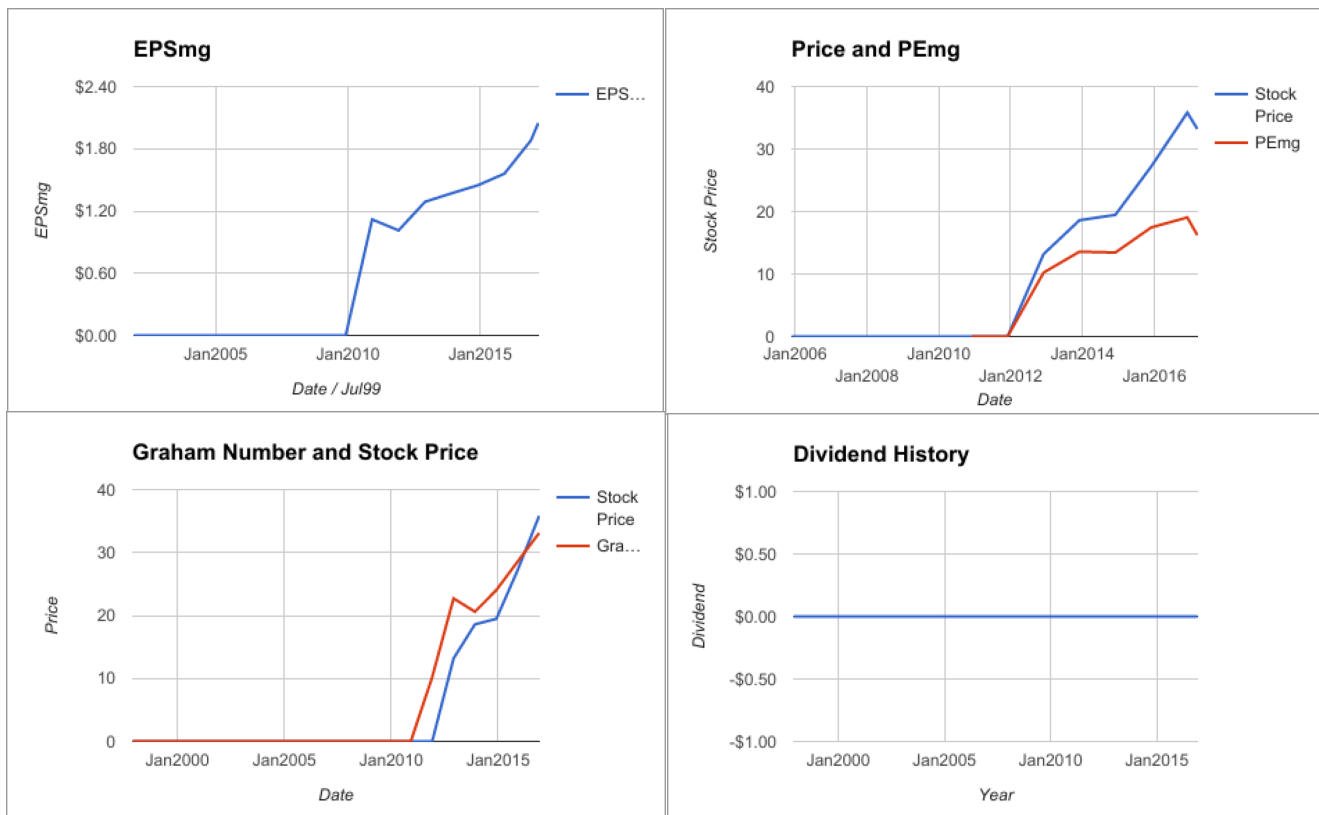
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.24	Next Fiscal Year Estimate	\$2.05
Dec2016	\$2.31	Dec2016	\$1.88
Dec2015	\$1.96	Dec2015	\$1.56
Dec2014	\$1.55	Dec2014	\$1.45
Dec2013	\$1.30	Dec2013	\$1.37
Dec2012	\$1.57	Dec2012	\$1.29
Dec2011	\$0.36	Dec2011	\$1.01
Dec2010	\$3.36	Dec2010	\$1.12
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00		
Dec1999	\$0.00		
Dec1998	\$0.00		
Dec1997	\$0.00		
		Balance Sheet Information 12/1/2016	
		Long-Term Debt & Capital Lease Obligation	\$1,064,706,000
		Total Assets	\$9,382,736,000
		Intangible Assets	\$3,639,000
		Total Liabilities	\$8,526,864,000
		Shares Outstanding (Diluted Average)	30,014,000





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.

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company

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[U.S. Bancorp Valuation – February 2017 \\$USB](#)
[Columbia Banking System Inc Valuation – Initial Coverage \\$COLB](#)
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