

ModernGraham Valuation

Company Name:

CVB Financial Corp.

Company Ticker CVBF

Date of Analysis

3/17/2017



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	\$2,593,397,042	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
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		
4. Earnings Growth		50.00%	Pass
5. Moderate PEmg Ratio	PEmg < 20	24.72	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.56	Fail

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	0.95
MG Growth Estimate	3.58%
MG Value	\$14.95
MG Value based on 3% Growth	\$13.84
MG Value based on 0% Growth	\$8.11
Market Implied Growth Rate	8.11%

MG Opinion

Current Price	\$23.60
% of Intrinsic Value	157.83%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Graham Number	\$14.21
PEmg	24.72
PB Ratio	2.56
Dividend Yield	2.03%
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	\$0.98	Next Fiscal Year Estimate	\$0.95
Dec2016	\$0.94	Dec2016	\$0.93
Dec2015	\$0.93	Dec2015	\$0.90
Dec2014	\$0.98	Dec2014	\$0.86
Dec2013	\$0.91	Dec2013	\$0.77
Dec2012	\$0.74	Dec2012	\$0.69
Dec2011	\$0.77	Dec2011	\$0.67
Dec2010	\$0.59	Dec2010	\$0.65
Dec2009	\$0.56	Dec2009	\$0.70
Dec2008	\$0.75	Dec2008	\$0.77
Dec2007	\$0.72	Dec2007	\$0.77
Dec2006	\$0.83	Dec2006	\$0.77
Dec2005	\$0.83	Dec2005	\$0.71
Dec2004	\$0.73	Dec2004	\$0.62
Dec2003	\$0.63	Dec2003	\$0.54
Dec2002	\$0.59	Dec2002	\$0.47
Dec2001	\$0.48	Dec2001	\$0.39
Dec2000	\$0.42		
Dec1999	\$0.32		
Dec1998	\$0.29		
Dec1997	\$0.23		
		Balance Sheet Information	12/1/2016
		Long-Term Debt & Capital Lease Obligation	\$78,774,000
		Total Assets	\$8,073,707,000
		Intangible Assets	\$94,543,000
		Total Liabilities	\$7,082,845,000
		Shares Outstanding (Diluted Average)	107,687,000





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

- [Customers Bancorp Inc Valuation – Initial Coverage \\$CUBI](#)
- [Comerica Inc Valuation – March 2017 \\$CMA](#)
- [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](#)